FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

Latin America

FBIS-LAT-94-240
Wednesday
14 December 1994

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Caribbean, Latin American Cooperation Conference Opens

Caricom Chief Urges Increasing Competitiveness

FL1312210794 Bridgetown CANA in English 2009 GMT 13 Dec 94

[FBIS Transcribed Text] Miami, Dec. 13, CANA—The Caribbean Community (Caricom) will need to significantly improve the competitiveness of its productive process to survive in a changing global environment, Caricom Secretary General, Edwin Carrington, said here on Tuesday.

Addressing the 18th annual Miami Conference on the Caribbean and Latin America, Carrington spoke of two "vital ingredients ... necessary for Caricom's safe survival in this new environment".

"First of all, Caricom must make a quantum leap towards improving the competitiveness of its productive process. This calls for a full concerted regional effort by all sectors of our society. Secondly, Caricom will need significant help from the international community both in terms of resources and time for its adjustment," Carrington said.

Carrington told the gathering that fundamental to the region's effort at economic integration was the free movement of goods, with no duty or quantitive restrictions among Caricom member states.

He said that while this has been achieved using the common rules of origin to determine whether a product is "truly made in Caricom," the realities of the economies of Caricom meant that no more than 10 per cent total trade among regional states existed.

He said the region had to adopt a common tariff on non-Caricom goods, which was "perceived as, and indeed was, a protective barrier for regional product and was strongly resented by non-regional producers".

"Recently, Caricom decided to dramatically lower the Common External Tariff down to a maximum of 20 per cent by the year 1998. This action has now become strongly resented by regional producers who are now increasingly being exposed to greater international competition. Estimates of massive production, income and employment losses abound in the region, but not all are unrealistic or fanciful," he said.

Carrington said that Caricom was now in the dilemma of removing quantity restrictions on imports from non-Caricom sources, while imports are increasing and forcing adjustments within Caricom's production.

"It must be said that Caricom's long-term development cannot be built on highly protected enterprises producing for the small Caricom market and incapable of winning and sustaining international markets. It is this realisation, more than anything else, which has forced this Caricom trade policy shift," he said.

OAS Chief Vows To Back Summit Plans

FL1312222794 Bridgetown CANA in English 2111 GMT 13 Dec 94

[FBIS Transcribed Text] Washington, Dec 13, CANA—The Organization of American States (OAS) will make high-level technical assistance available to Caribbean and Central American countries and the smaller South American countries. The plan is to enable them to strengthen their negotiating capacity in preparation for entry into a hemispheric free trade agreement, Secretary General Cesar Gaviria said Tuesday.

Gaviria told delegates attending the 18th Annual Miami Conference on the Caribbean, which opened here Monday, "Our joint efforts must help those countries to catch up and must strenghten their technical and negotiating capacity so that they too may take advantage of the benefits of free trade." He said the wide disparity in size and per capita income of the economies of the hemisphere had meant that countries and even subregions lagged behind in the movement toward trade liberalization occurring today. In this connection, Gaviria suggested that "the OAS, supported by the Economic Commission for Latin America and the Caribbean and the Inter-American Development Bank should conduct studies to clarify the nature of the impact on the smallest countries of the hemisphere of becoming part of the large trading blocs with richer members, precisely to make innovative progresss in defining desirable differential treatments to compensate for inequalities in the relative economic development of those countries".

The OAS chief, whose organization has been given a wider mandate by hemispheric leaders at their just-concluded Summit of the Americas, said a key aspect of any discussion "has to be the handling of non-reciprocal concessions granted under such instruments" as the Lome trade and aid pact, the Caribbean Basin Initiative and the Canada-Caribbean trade agreement. "The beneficiary countries have to indicate whether such concessions can reasonably be replaced by accession to a reciprocal type of trade arrangement. There are cost benefit considerations that have to be worked out and certain doubts that still have to be dispelled," Gaviria remarked.

While acknowledging that various trade agreements now existing in the hemisphere have been useful, he contended there was not much scope now for progress on bilateral arrangements. He explained that such arrangements, given today's realities, entail risks such as trade diversion, discrimination against countries not involved in free trade agreements and dis-incentives to investment that accompany uncertainty. "We must make way for a multilateral strategy leading to convergence since trade, like the enviroment and the war on organized crime or migration, is no longer a matter that may be handled by a single country or through simple dialogue between two countries," Gaviria said. Such multilaterialism, he said, could take the form of partial or final

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accession to an existing sub-regional agreement through "simple, transparent and above all, functional provisions. It can also be achieved through the adoption of a system aimed at generalizing the preferences granted under the various agreements".

Gaviria warned, however, that the hemisphere must avoid the mistake of using any of the existing agreements as the mandatory basis for establishing hemipheric integration since this would have risks beyond the control of collective action.

In pledging the support of the OAS for the implementation of initiatives identified at the Summit of the Americas, which ended in Miami last Sunday, Gaviria said that a strong trade unit will be established within the organisation.

OAS Chief Forecasts Restructuring

FL1312233894 Bridgetown CANA in English 2233 GMT 13 Dec 94

[FBIS Transcribed Text] Miami, Florida, Dec 13, CANA—With the third Summit of the Americas now over following the signing of a 27-page action plan here Sunday, attention is now being focused on the reorganisation of the Washington-based Organisation of American States (OAS).

"It has to happen now that we are moving to form the Free Trade Area of the Americas system (FTAA)," Belizean Prime Minister Manuel Esquivel told CANA here Tuesday.

"We will have to have an intense internal restructuring," OAS Secretary General Cesar Gaviria said, expressing confidence the institution could rise to the challenges of co-ordinating negotiations by the year 2005, the outer limit set by last weekend's summit. Gaviria, a former Colombian President, has already identified the need to strengthen the 105-year organisation's legal section, saying this will be important to the numerous meetings ahead. But he expressed some concern about the lack of new financial resources to carry out the OAS's mandate, saying a serious look would have to be taken to redirect funds from run-of-the-mill assignments to the more complex tasks ahead.

Gaviria spoke to CANA shortly after addressing Tuesday's morning session of the Annual Miami Confernce on the Caribbean and Latin America. The conference, normally timed for the first week in December, was pushed back deliberately to run back-to-back to the heads of government summit. The conference started Monday.

Private sector officials and delegates at the four-day conference say they expect the Inter American Development Bank (IDB), one of the hemisphere's main lending institutions, to provide the major portion of funds in the months to come. The annual OAS budget is U.S.60 million. Officials say it has remained at this level for some years, as member states and host country—the U.S.—have all been reluctant to commit new resources given economic troubles both in the U.S. and in the wider hemisphere.

Both Gaviria and assistant secretary general Christopher Thomas said the reorganisation will have to start almost immediately. This is because a series of high-level hemispheric meetings is scheduled to be held in the next six months, all at the instance of the summit. Trade negotiation specialists will be hired, even if as consultants, the legal department strengthened and language training for staff will be a priority. The first big conference starts in January, when technical officials from 34 of the 35 member states meet at a still-to-be-determined venue to prepare the way for free trade talks.

Cuba is excluded because of the current perception about its undemocratic political system.

Thereafter, several others are slated, including a June 1995 conference of hemispheric trade ministers. The ministers will review the work of technical officials in readying the region for the free trade zone negotiations, with its 2005 outer limit.

The Washington-based body has been harshly criticised by friends and enemies alike in recent years for being moribund. It has, however, taken a bow for its non-stop lobbying of the international community in bringing about a resolution of the Haitian crisis, following the 1991 ouster of democratically-elected President Jean-Bertrand Aristide.

The OAS now will be open and more able to assist the Caribbean, Central America and the smaller nations of South America to prepare themselves for the negotiations leading to their participation in a hemispheric free trade arrangement, said Press Officer Wesley Kirton. Kirton says the OAS's focus, over the years on political issues, will now be adjusted so that the body could efficiently execute the mandate of the just-concluded summit, the third since 1956.

In the meantime, Gaviria has found himself fending off questions about whether the OAS will move its Washington base to Miami. The success of this summit will be a very important step in taking such a decision, he said, noting predictable difficulties in winning consensus from all 34 States. He, however, quoted IDB President Enrique Iglesias, as saying the bank is considering opening an office in Miami to specifically service post-summit developments.

OAS Views Need To Bridge 'Information Gap'

FL1412025394 Bridgetown CANA in English 2149 GMT 12 Dec 94

[FBIS Transcribed Text] Miami, Dec 12, CANA—A one-day workshop aimed at bridging the information gap between the Caribbean and Latin America has been told

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of the need to put mechanisms in place to "better educate and inform the people of the Americas about each other".

OAS Assistant Secretary General Christopher Thomas, addressing the workshop being attended by government ministers and senior media officials from Latin America and the Caribbean said that workshop was vital given the movement by the two regions towards closer economic and political cooperation.

"...We now must move the integration process beyond the vision through concrete action such as the bridging the information gap between the various sub-regions of the hemisphere".

Thomas warned that there cannot be a movement of the integration process forward "if the majority of people of each sub-region remains ignorant of each other and are uninformed and uneducated about each other's cultures, systems of government and economic conditions".

He urged the delegates to the workshop, organised by the OAS, to develop "a plan of action of your own which will respond effectively to bridging the information gap between Latin America and the Caribbean".

Christopher said that the region must no longer allow the differences between our multi-cultural and multi-ehtnic heritage to deter movements towards closer cooperation, urging the media to use its influence in advancing the process of integration and sustainable development.

"The challenge therefore for you today is to make this gathering a genuine workshop out of which would come a few concrete recommendations about improving the flow of information between the Caribbean and Latin America.

"In looking at bridging the information gap...it is important that you take into consideration the fact that large communities of Latin Americans and West Indians live in the United States and Canada. They too need to be kept informed and in turn we in the region need to keep abreast of what they are doing," he said.

Thomas also urged greater cooperation among the agencies and organisations "whose responsibility it is to help this process. We will need to pool human, financial and technical resources as well as avoid duplication".

"The OAS is committed to working closely with the Inter-American Development Bank (IDB), UNESCO, PAHO and all other agencies whose work could be enhanced through a better flow of news and information between Latin America and the Caribbean," he said.

Caricom Urges Canadian 'Reactivation' of Trade Policy

FL1312230094 Bridgetown CANA in English 2135 GMT 13 Dec 94

[All quotation marks as received]

[FBIS Transcribed Text] Toronto, Dec 13, CANA—A high-level official of the Caricom (Caribbean Community) Secretariat has called for the "reactivation" of "a positive Canadian trade policy" towards the Caribbean.

In a paper presented to the Canadian Senate's standing committee on foreign affairs, Byron Blake, director of economics and industry at the Caricom Secretariat, said the need for the "reactivation" of such a policy has become "more urgent" with the implementation of NAFTA (the North American Free Trade Agreement). Blake noted that NAFTA has eliminated the "access advantage which Caribbean countries had vis-a-vis Mexico" in the Canadian market under Caribcan [expansion unknown] and in the United States market under CBI (Caribbean Basin Initiative). He also said that NAFTA has provided Mexico with an advantage over Caribbean countries in the Canadian and United States market for products excluded from preferential treatment under Caribcan and the CBI.

Discussing the removal of non-tariff barriers, Blake noted that "many Caribbean products face considerable access difficulties" from such barriers, "especially for entry into the United States market but also into the Canadian market."

"The potential loss of position in the North American market is of particular concern to Caricom countries since Canada and the United States combined, form their largest export market," he said in the paper. Blake noted that Caribbean countries have formally urged Canada and the United States "to minimise the adverse effects of NAFTA" by expanding Caribcan and CBI to include the products which were previously excluded" and by continuing "to emphasise and promote Caribcan and CBI to investors as agreements which still enjoyed policy priority."

He said the United States has attempted to address the issue, "first through the NAFTA Parity Bill in 1993 and secondly, through the Interim Trade Programme in 1994." But Blake noted that "Canada has neither responded in word nor deed. "There has not even been any indication that the concerns of the Caribbean have received consideration at any level." Blake said that this has been "worrying for Caribbean countries since, in the nature of their historic relations, in particular trade relations with Canada, they would have expected Canada to understand and to make every effort to address such major and urgent concerns. "Lack of action has confirmed the marginalisation of the Caribbean in Canada's trade policy, if not overall foreign policy."

Argentine, Brazilian Ministers Sign Mercosur Trade Act

PY1212201894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1949 GMT 9 Dec 94

[FBIS Translated Text] Buenos Aires, 9 Dec (NA)—With a view toward implementation of Mercosur [Common

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Market of the South], which will go into force in January, the Argentine and Brazilian Governments today approved a joint act on the most critical trade issues between the two countries, such as auto parts, wheat, leather, and textiles.

The main topics of the accord are rules for the import of Brazilian-made auto parts, which will be considered Argentine-made and compensated with general exports, and Brazil's implementation of a surtax on the import from third countries of subsidized wheat.

The act, which was signed by Economy Minister Domingo Cavallo and his Brazilian counterpart Ciro Gomes, also establishes the implementation of a common external tariff with a uniform 14 percent tax for third countries. This tax will begin to be collected by the two countries' customs beginning 1 January.

Cavallo made these comments at a news conference he granted at 1200 today together with Brazilian Finance Minister Ciro Gomes at the Bank of the Nation headquarters, where the negotiations were held. Cavallo said: "We have made as much progress as we could so that the presidents of our respective countries could sign the implementation of Mercosur in Ouro Preto on 17 December."

In this regard the two countries established a standard treatment to be given to products that will make up the exception list and products that have some sort of protection.

It has also been decided that tariffs for a limited number of products being traded among the Mercosur member countries will be automatically and gradually reduced.

The act also establishes that Argentina will treat the capital goods products imported from Brazil the same way it treats local products, with a maximum subsidy or a refund of 10 percent, "whichever proves suitable."

Brazil promised to implement a resolution establishing the collection of surtaxes on the wheat it imports until 30 April 1995.

It will be proposed to extend the measure to the other Mercosur member countries, Paraguay and Uruguay, in that order.

From 1 January to 30 April a "committee to fight unfair trade in subsidies applied to third countries," will function, Cavallo explained. He pointed out that from 30 April on "we hope to have a permanent system to eliminate dumping cases."

Regarding the textile and clothing industries, specific duties will be implemented for the products that are imported from countries other than the Mercosur countries.

"A starting point has to be made with the adoption of specific duties, such as those being applied by Argentina, and they will be adjusted to the level of specific duties satisfactory to all Mercosur member countries," Cavallo said.

Regarding trade in auto parts, it was decided to give "a national deal to the producers," which according to Cavallo means that "a Brazilian producer of auto parts will be able to sell his production on the Argentine market, and they will be treated as domestic auto parts."

These imports must be compensated with overall exports, in other words, not only to Brazil, but to any country.

Cavallo said that in this respect "Argentina has accepted that if the compensation includes the export of Argentine auto parts to Brazil, they will have 20 percent of their price added, or in other words 1.2 more for each peso that is exported."

In addition, the national lists of each country will be maintained when related to third countries.

In this respect Cavallo stated that "in the same way that Argentina is giving a national deal to Brazilian auto parts, then Brazil will also give a national deal to Argentine auto parts that are sold for the manufacture of the Brazilian economy car."

"This means that the auto parts and cars that Argentina exports to the Brazilian economy car market will obtain the same reduction in Brazilian Internal Tax (IPI) that is applied to the producers of the economy car and parts."

In this respect, the economy minister stated that "regarding the exchange of finished vehicles between manufacturers, free exchange has been proposed, with zero duties and without quotas."

Regarding the export of hides, the gradual and automatic elimination of duties within a 5-year period was agreed upon; by the year 2000 there will be no duties on the trade of hides.

The two ministers also announced the beginning of negotiations, "at the beginning bilateral," to liberalize air transport and other types of transport within Mercosur.

In this respect Gomes stated that next week those in charge of Brazil's air transport sector will meet with Argentine Transport Secretary Edmundo del Valle.

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Cuba

Havana Radio Reports on Rafter Situation in Panama

Panama Sets 6 March Deadline for Departure

FL1312144194 Havana Radio Progreso Network in Spanish 1200 GMT 13 Dec 94

[From the "First Thing" program]

[FBIS Translated Text] The Panamanian Government reiterated its decision not to extend the stay of illegal Cuban immigrants housed in camps at U.S. military installations at the Panama Canal and set 6 March as the deadline for their departure.

Rafters Living in 'Concentration Camps'

PA1312144894 Havana Radio Havana Cuba in Spanish 1300 GMT 13 Dec 94

[From the "Morning Information Review" newscast]

[Text] Guarded by over 10,000 U.S. soldiers and fenced in with barbed wire, the camps for Cubans rafters established on the Panama Canal banks resemble concentration camps, which violates human rights, sources at independent organizations have charged. Human Rights Committee Chairman Osvaldo Velasquez said in Panama that 8,600 rafters live in U.S. concentration camps as a result of the drastic measures of military control the U.S. Army imposed on the shelters, mainly in the wake of the violent disturbances of last week.

Since last Friday, some 750 rafters have been arrested and 490 of them are still in prison, accused of instigating the serious incidents. We are in a camp that is a prison, and now it is even worse, a refugee whose last name is Pena said, adding that U.S. soldiers mistreat those rafters regarded as instigators. According to Pena, U.S. soldiers take a head count every day and have removed the tubing from their cots. For that reason, many prefer to sleep on the floor.

Refugee Deaths Reported

FL1312211394 Havana Radio Rebelde Network in Spanish 1800 GMT 13 Dec 94

[From the "National Radio News"]

[FBIS Translated Text] Panama's parliament has agreed to investigate the situation in which over 8,500 Cuban rafters are living, held in areas near the Panama Canal. At the same time, the United States is adding another 1,000 soldiers to guard the camps. The Panamanian parliament's foreign relations and human rights commissions will investigate the violent riots staged by the Cubans, which resulted in the deaths of two rafters and another 30 injured. Both commissions are to present the report this very week, including an assessment of whether the illegal Cubans' human rights are being respected. On the other hand, the U.S. Government chooses to reinforce military presences at the camps to prevent more riots. Today, heavily armed troops should arrive in Panama to join the 2,000 soldiers who are already patrolling the area. In the meantime, Panama's Government reiterates that the Cuban rafters problem is the United States' responsibility and demands they be removed from Panama no later than 6 March.

U.S. Deployment of Soldiers Noted

PA1412025594 Havana Radio Havana Cuba in Spanish 0000 GMT 14 Dec 94

[From the "Evening Information Review" newscast]

[FBIS Translated Text] The United States has deployed an additional 600 soldiers to Panama to reinforce security at the four camps where nearly 9,000 illegal Cuban immigrants are being held. On Wednesday the United States will complete the contingent of approximately 1,000 soldiers. The contingent is comprised mostly of sappers with all-terrain military vehicles.

On Monday, hundreds of U.S. soldiers arrived in the camp area wearing jungle combat uniforms and armed with M-16 rifles, shotguns, and grenade launchers. The Cuban rafters confined in Panama have said that the atmosphere in the camps is very tense and that they fear reprisals by U.S. troops following last week's uprising by the illegal immigrants to demand that they be transferred to the United States.

More on Reinforcement of Camp Security

PA1412034994 Havana Radio Havana Cuba in Spanish 0000 GMT 14 Dec 94

[Report by PRENSA LATINA correspondent Eddy Zamora from the Operation Safe Haven press center in Panama; from the "Evening Information Review" newscast]

[FBIS Translated Text] The U.S. Southern Command in Panama announced in a communique that elite troops arrived to reinforce so-called Operation Safe Haven and forcefully took over rafters' Camp 2. Four hundred rafters were arrested and 31 were injured, three of whom were hospitalized. No U.S. casualties were reported. The 400 arrested rafters are in addition to 350 who, according to U.S. military authorities, had been imprisoned since Thursday, thus placing the total number of rafters under arrest at 750.

Two rafters lost their lives during the uprisings on Wednesday and Thursday when they tried to swim across the Panama Canal. They were Rolando Rodriguez Ors and Lazaro Roberto Jerome. There were 121 U.S. soldiers and 28 rafters injured.

The Panamanian Government released a communique stating that it regretted the incidents in the rafters camps

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and that the U.S. Government has reaffirmed to Panamanian authorities that all additional measures have been taken to guarantee compliance with the jointly signed 3 September 1994 agreements.

The Panamanian Government has reiterated to the U.S. Government its decision to continue to cooperate to resolve the current situation in the camps. It has also reiterated that once the six-month term specified in the agreement is up, the rafters must be relocated outside Panamanian territory. It added that no extensions will be granted.

Today's Panamanian newspapers published front-page photographs of several female rafters who were on the ground and handcuffed with their hands behind their backs while U.S. soldiers kept watch.

Discussion Focuses on Summit, Chile Entering NAFTA

FL1312232594

[FBIS Editorial Report] Havana Radio Progreso Network in Spanish at 1217 GMT on 13 December, during its regularly scheduled "First Thing" program, carries a 17-minute live or recorded studio discussion between Programming Director Roberto Hernandez and analyst Elsa Claro Gill on the recently concluded Summit of the Americas.

Hernandez opens by confirming that the discussion will focus on the "carious Miami summit," which he also describes as the "so-called" Summit of the Americas. He asks Gill for her opinion on Cuba not being invited to the summit.

Gill points out that Radio Spain International also described the summit as the "so-called" Summit of the Americas, suggesting that the term must reflect the Spanish Government's view of the summit in some way since Radio Spain International is an official station.

Gill then recalls that many leaders at the summit criticized Cuba's exclusion. She launches into a verbal attack on Argentine President Carlos Saul Menem, not only describing him as a "notorious person" who is "obsessed with attacking Cuba" and as a "self-appointed champion and supporter of the United States" but also alleging that he is "out of tune not only with Cuba but also with the world, particularly Latin America." She points out that no one joined Menem in his motion against Cuba and claims that Cuba was discussed during "the short time spent really working" at the summit not only because of Menem's motion but also because of Cuba's very absence. She asserts that many people believe that Latin American integration and continental processes cannot be discussed without Cuba since Cuba is "the only Latin American nation to achieve hard-fought social advances of which other nations on the continent only dream."

Hernandez notes that many of the goals discussed at the summit have already been achieved in Cuba.

Gill notes that, in accompanying Latin American delegations around Cuba, she has observed how emotional people have become when they see what Cuban children have despite material shortages.

Hernandez raises the issue of Chile possibly entering NAFTA. He asks Gill how Chile's entry into NAFTA could affect Mexico, describing Chile as the first neoliberal Latin American nation.

Gill responds, saying that Chile's entry into NAFTA is a highly anticipated event and that Chile "had been working toward it for a very long time." She recalls that Chile began applying the so- called neoliberal model when General Pinochet assumed power during a "very bloody" coup d'etat. Gill notes that Chilean President Eduardo Frei announced recently that over 1.5 million Chileans live in "extreme poverty."

Hernandez notes that cracks in the neoliberal model were becoming evident, even after Chilean economic growth had been touted worldwide as a "miracle."

Gill says that although Chile has shown definite signs of growth, there are problems with the redistribution of wealth. She points out: "The growth percentages can be seen in only a very small sector and do not apply to the majority of the population."

Gill calls Venezuela a "typical case," pointing out that the application of the so-called neoliberal model during Carlos Andres Peres' first term in office resulted in impoverishing 80 percent of the Venezuelan population. She claims that Frei, in referring to 1.5 million poor Chileans, was "talking about 1.5 million desperate people and not the general magnitude of the poverty." Gill acknowledges that Chile has made real economic advances and says that when the United States acknowledged the application of neoliberalism in Chile, it began to consider including Chile in a free trade agreement. She adds that although the United States has political interests, it is a matter of "strictly commercial interests" in Chile's case. Gill then reminds that Chile and the United States have had trade differences over the years.

Hernadez again asks Gill how Chile's entry into NAFTA could affect Mexico.

Gill suggests that while NAFTA is about to celebrate its first anniversary, the benefits to Mexico and Canada are not yet clear. She says that Mexico, the poorest NAFTA member, is "not benefiting as much as you might think." She points out that Chile produces and exports many products similar to Mexican products, which could "damage Mexico in the free trade agreement" as they will be competitors with the same advantages.

Gill warns that the same problem will arise among the Central American nations that recently signed a regional economic pact to counteract NAFTA. She said that they are not competitive in the market because of advantages NAFTA members have.

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Gill returns to the subject of Chile, noting events leading up to its potential entry into NAFTA beginning with the Andean Pact during Pinochet's era. She suggests that Chile recently rejected an offer to join Mercosur because it aspired to join NAFTA.

Hernandez reports that the United States has set 2005 as the deadline for finalizing the continental free trade agreement. He says: "Neither Clinton nor any other President at the summit can even remotely think that they will be president of their countries in 2005."

Gill agrees, saying: "You can promise anything when you know someone else will be responsible for carrying it out." She says the Republican response in the U.S. Congress in January must be considered, given its "reactionary nature" and so-called anti-Clinton attitude. Gill says the agreement has not been debated in the legislature and calls its content very idealistic and unrealistic, although she acknowledges the possibility of positive steps conducive to forming a large free trade zone. She expresses her opinion that Latin America should first form its own trade bloc and integrate into the North American bloc later.

At 1234 GMT, Gill closes the discussion by suggesting that summit agreements will carry less weight than summit participants think since the leaders who participated will not be in power in 2005. She adds that the immediate future will tell how they "resume or forsake this idea."

'Straight Talk' Views Summit of Americas

FL1412005594 Havana Radio Rebelde Network in Spanish 1700 GMT 12 Dec 94

["Straight Talk" program with host Juan Carlos Roque Garcia and guest Eddie Jimenez—live or recorded]

[FBIS Translated Text] [Roque] Today's discussion focuses on a significant event for the Americas, namely the Miami summit. Analysts are already discussing U.S. strategy regarding this meeting of 34 of the hemisphere's nations.

[Jimenez] That is right. But, first, I want to welcome you back from your extensive working trip to Argentina and Mexico. I am happy you are once again with us, since you are one of the founders of this program.

[Roque] Thank you. But, let us get to the point.

[Jimenez] I wish to begin by reading a brief passage from an article on the International Congress summoned by the United States which Marti originally had published in Argentina's LA NACION newspaper on 2 November 1889:

Since independence, never has a subject in the Americas required clearer thinking, vigilance, and detailed study as the call that the United States—a powerful nation filled with products no one wants, a powerful nation committed to expanding its control over the Americas—has made to less powerful American nations already engaged in useful and free trade with European markets to form a bloc against Europe and to establish ties with the rest of the world. Latin America was smart enough to free itself from Spanish tyranny. Having cast an objective eye on the antecedents, causes, and factors prompting this call, we are now called upon to tell the truth and say that the time has come for Latin America to declare its second independence.

Marti said later: The first thing in politics is to elucidate and foresee the only unanimous and virile answer, before it is too late to free Latin America from anxiety and suffering. This would be fatal to its development, especially in the event of the venial or weak republics' complicity with an overwhelming and greedy neighbor's secular and explicit policy of control.

Although 104 years have passed since that article was written, its message remains valid.

[Roque] I believe in Marti's article. It clearly demonstrates his talent for defining the situation of our nations in relation to that northern monster.

[Jimenez] Undoubtedly. It can also be argued that the interests behind that 1889 meeting—also convened by the U.S. Government—are the same that spurred the Clinton administration to hold this summit with Latin American and Caribbean heads of state. The United States is simply trying to adapt its policies to the current global situation and their new interests, just as it has been doing since 1823, when U.S. power circles declared via the Monroe Doctrine the strategy of America for Americans—that is, America for North Americans.

[Roque] This United States is using the same strategy today, in an effort to try and group and control these Latin American nations.

[Jimenez] The names have changed according to the historic circumstances. The Good Neighbor Policy was adopted when all nations had to close ranks around the United States to fight fascism. The Alliance for Progress Policy was designed to free the continent from the Cuban Revolution's influence and to isolate the Revolution. The Initiative for the Americas Policy was a way of controlling Latin American markets to deter Japanese and European competition.

The Summit of the Americas now appears, given the challenge of global markets and the consolidation and strengthening of new capitalist power hubs.

The United States is facing reality:

Japan is an economic power with first-class technology. A number of countries around it show an impressive development rate. There is little room for non-Asian industrial powers in that part of the world.

Europe is another economic power hub. Although Germany is shouldering the burden of reshaping the former GDR, Germany leads the EC and everyone is convinced

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that it will once again enjoy great economic progress in a few years. Europe now has its own Third World, thanks to the European socialist bloc's collapse. Eastern Europe is a producer of raw materials, with a cheap and highly skilled labor force. Western Europe has maintained its areas of influence in which to sell its products, regions such as Africa, the Middle East, and certain areas in Asia.

On the other hand, the disappearance of the socialist bloc and, thus, the end of the West-East conflict makes Europe, as well as Japan, less dependent on U.S. military might. Therefore, the need to close ranks around the United States has diminished. Each one of the capitalist powers' particular interests becomes clearer every day.

[Roque] We can now discuss U.S. strategy.

[Jimenez] Yes, but there is another essential factor. The U.S. economy is becoming less and less competitive as a result of its expensive labor force and the fact that it has fallen behind technologically, particularly behind Japan. The United States must make domestic economic adjustments to remain the most important superpower. It cannot make these adjustments unless it guarantees that its most important sphere of influence—the rest of the continent—becomes even more subordinate in every field to strengthen its hegemony and choke economic competition from other regions.

[Roque] Hence, this thing about the free trade agreement with the United States.

[Jimenez] That was the U.S. leadership's primary goal in calling the Summit of the Americas. The unanimous response Marti called for as far back as 1889 has not been heard. The United States and European powers have been able to keep our America divided and have taken advantage of this. Latin America and the Caribbean sat before the far-reaching giant—as Marti described the United States—a century later without having reached a common position, economically weakened, in the midst of a global growth of neoliberal ideas, and without a socialist bloc to counter imperial appetites. In other words, Latin America and the Caribbean went to the summit with little strength to resist and pressured by poor economies. Promises about free markets—the main goal of the region, given their vital need to increase exports to attain the necessary funds to keep their economies going—was their main hope.

I am neither an optimist nor a total pesimist, but it is true that there are ruling sectors in Latin America that are fully committed to fostering U.S. interests and whose greatest hope is for developed capitalist countries to give them at least a small opportunity to enter the First World. However, there are other sectors in Latin America and the Caribbean that harbor their own interests. This leads us to conclude that the United States will not be able, despite the signing of the so-called declaration of principles and plan of action, to completely fulfill its interests. Latin American leaders must truly ask themselves if the U.S. Government can really foster a true integrationist proposal to satisfy their expectations even just a little. Everyone knows how despite the importance of relations with its closer neighbors—Mexico and Canada—President Clinton had to make multiple domestic concessions to get the free trade accord through Congress.

[Roque] We must remember that our peoples are interested in the United States setting the necessary deadlines and mechanisms to create the so-called hemispheric free trade region. The summit did not reach any specific conclusions on this.

[Jimenez] The deadline was set for 2005. However, there is something the Latin American peoples—particularly, Latin American leaders—cannot overlook: Barely a week ago, Latin America and the Caribbean bid farewell to the opportunity to join the free trade agreement when the U.S. President did not use the so-called quick path to establish accords with other countries in the region to extend the benefits of the accord beyond the current membership. If this happened under a Democratic-controlled Congress, what can Latin America and the Caribbean expect now? A constructive U.S. policy, even if through timid bilateral economic opportunities with a House and Senate controlled by Republicans—who have historically been the most ardent advocates of protectionism and neoliberalism? What can Clinton grant to poor Latin American neighbors beyond bank loans, which patch things up in the short term but, in practice, increase the foreign debt and impoverish the continent?

So far, we have broached the Summit of the Americas' strategic goals in economic terms. However, there are other goals, political goals, sought by the U.S. Government at this meeting, goals which it undoubtedly fullfilled fairly well. I also want to discuss this, as well as why Cuba was excluded from the summit and why Cuba was discussed even though it was not represented there.

The United States mixes its various political goals with its economic goals. They are trying to thwart Latin American and Caribbean integration and to draw attention away from Cuba and the idea of pan-American integration. The United States tried to make it look as if this meeting were more important than the yearly meetings that Ibero-American leaders have. They wanted to redirect us from this path into a kind of postmodern—forgive the ironic use of the term—Monroe Doctrine world.

[Roque] Like it was trying to regain its footing.

[Jimenez] Precisely. One goal was to put Latin America in the place that it believes Latin America deserves in this unipolar world. While they want everyone to believe that they are not lacking in ideology, they want one ideology—namely, capitalism—to dominate. To put Latin America in that position, they need—and sought to establish through the summit—a regional ideological platform advocating democracy and human rights

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according to the U.S. model. This leaves the door open to the continent's ruling classes, the classes committed to its policies, to approve and conduct joint interventions as a way of preventing the destabilization of the system of domination and displace the competition from the region. The United States wants to use the plan of action that the governments signed to strengthen inter-American organizations like the OAS and the Inter-American Development Bank, which have been given new colonial tasks in this unipolar world.

It is clear why Cuba was not invited to the summit. The U.S. deputy secretary of state announced that Cuba had not been invited, saying: One does not invite one's enemies into one's home. They saw Cuba as an enemy of economic oppresion and of the dominance of wealthy nations over poor nations, as an enemy of pan-Americanism and an advocate of Bolivar's and Marti's dreams about the establishment of a Latin American union. Cuba is against powerful nations meddling in the domestic affairs of other states; thus, it is against the supranational interventionism advocated by First World nations, of which the United States is utmost representative on this continent.

Commentator Notes 'Skepticism' of Summit Participants

FL1412031694 Havana Radio Rebelde Network in Spanish 1255 GMT 13 Dec 94

[Commentary by Eduardo Dimas; from the "Doing Radio" program]

[FBIS Translated Text] The Summit of the Americas has just concluded. For some, a new time of hopes and expectations opens; for others, a new time of skepticism opens, which seems more reasonable and logical considering Latin America and the Caribbean's history of relations with the United States. However, not everything is imputable to that northern empire. I will refer to recent history. Until the triumph of Cuba's revolution, the United States had barely worried about its continent, its backyard. But the Revolution's triumph determined an increase in liberation movements and the United States—along with promoting military dictatorships and repressive governments—created the alliance for progress, supposedly to solve Latin America's problems. During the Nixon administration, it died a natural death, without having solved anything at all. The '70s were witness to a great number of military dictatorships, starting with Pinochet in Chile, and witnessed the triumph of Nicaragua's revolution, Grenada's New Jewel Movement, and the strengthening of Panama's Torrijos process. The United States was busy in other parts of the world and trying to put its own house in order after the Watergate scandal. In the '80s there were military dictatorships in Chile, Argentina, Brazil, Bolivia, Ecuador, Peru, Uruguay, and Paraguay, as well as in the majority of Central America, where guerrilla movements in Guatemala and El Salvador were flourishing and strong. During that time, neoliberalism—a form of redesigning and consolidating capitalism—made its presence felt in Latin America. It was the time when public enterprises, roads, sidewalks, and parks were privatized massively. It was also a time when state budgets were adjusted, cutbacks on health and education budgets were made, there was massive unemployment, and large sectors of the population became poor. This drove the members of the Economic Commission for Latin America to, correctly, consider the '80s as the lost decade. It is during this time when, first Reagan then Bush, promoted the initiatives for the Caribbean basin, the Americas initiative, and the Brady Plan for foreign debt as a mechanism to solve Latin America's economic problems, knowing, as they did, that it was only a superficial fix for problems that were profoundly structural and involving distribution of wealth. Together with this and once sure that the people's movements were being totally repressed by military governments and were no longer a threat to their interest, Reagan and Bush promoted a change from military dictatorships to restricted and tutored democratic governments. During the early years, they tutored the same military they had substituted in government and who they pardoned for all the crimes, tortures, and abuses which had been committed. The cases of Chile, Argentina, and Uruguay are good examples of what I am saying. In a nutshell, that is the history of many representative democracies, to whom the declaration of principles of the Summit of the Americas refers. We should point out that many of these countries took earnest positions during the summit and rejected having to accept premises that would place their respective countries and the conglomerate of Latin America and the Caribbean's—including Cuba—sovereignty at risk.

Latin America's woes increased during those times and continue today. The most fabulous wealth rubs shoulders with the most monstrous poverty. Latin America is the region with the most unequal wealth distribution in the world. This reporter has seen things that my refined rice and beans stomach cannot remember without feeling nausea. Children and adults eating decomposed food from garbage cans: That is something you can see in the majority of countries in our Latin America. Therefore, up to now none of the plans announced pompously have resolved Latin America's problems. That is the history which provokes the skepticism with which many Latin Americans, including the heads of state, received the Summit of the America's accords. It is very hard for determined interests to give up their benefits to benefit the people. It is very hard for the United States to accept sharing its wealth and economic power in that continental area, where free trade is supposedly to be created before 2005. It is even harder to imagine that the people of Latin America will resist without blowing up and that the United States and the national oligarchies would go without promoting repressive regimes to defend their own interest and to control the people.

Let's wait and see. Time is the wisest of all historic elements. I hope I am wrong.

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Center Director: Right Wing's Efforts in Miami Failed

PA1412041494 Havana PRENSA LATINA in Spanish 1943 GMT 13 Dec 94

[Report by Aissa G. Garcia]

[FBIS Translated Text] Havana, 13 Dec (PL)—Experts here have said the hemispheric summit held in Miami concluded without an official discussion of the Cuban issue despite the large sums of money spent and the efforts of right wing groups of the Cuban community to accomplish the opposite.

Luis Suarez, director of the Studies Center of the Americas, has told PRENSA LATINA the ultraconservative emigres' plan to turn the summit into an anti-Cuban spectacle was a failure.

The majority of the 34 Latin American and Caribbean heads of state did not give in to pressure exerted by the National Cuban- American Foundation (FNCA), which tried to divert the attention of the meeting, and members of the FNCA marched through the streets of Miami while the presidents met behind closed doors.

The only exception was Argentine President Carlos Menem, who from the moment of his arrival in Miami played the role less favored by the rest of the participants, that of spokesman for FNCA interests in favoring the strengthening of the U.S. blockade against Cuba.

According to Suarez, the alliance of the conservative sector with Menem, whom he described as the Judas of Latin American and Caribbean unity, failed, and even "the march ended up being smaller than they expected."

After the spectacle in Miami came to an end, Menem left after an alleged bomb threat, empty-handed, and with a promise to continue representing the interests of that part of the Cuban community, which, although it has economic power, has lost its credibility.

Other analysts believe the most negative result for the conservative emigres was the fact that U.S. President Bill Clinton acknowledged "the majority of the countries in the hemisphere do not agree with the U.S. policy" toward Cuba.

Suarez says the disparity between the resources used to gain their ends and what they were able to achieve during the meeting was very large.

Large sums of money were spent to try to condemn Havana, a message which was circulated throughout Miami even on the rear windows of buses and which was presented in the most expensive spots paid to the media.

In this way, the majority of the newspapers published in Spanish dedicated the same amount of space to the actions of the right wing emigres as they dedicated to the development of the summit, which was called, essentially, to create a free trade zone from Alaska to Tierra del Fuego.

Not everything was said in Florida, however. The MIAMI HERALD, which is in the hands of those Cuban extremists, ordered a public opinion poll in Cuba from the well-known U.S. agency Gallup and did not publish the results in November as promised.

The Gallup results were favorable to Cuba according to commentaries that appeared in the Mexican press.

The study indicated relatively few Cubans want to leave the country according to individuals interviewed. At the same time it identifies the economic situation, which is motivated by the United States and its blockade policy, as the only serious cause for discontent.

Another aspect of the study not published in Miami is the high level of support given to the Cuban revolution and its leaders, besides recognizing the achievements of the project especially in areas such as health, education, and housing. Meanwhile, the ultra right wing in Miami keeps betting on the wrong side, making false predictions and leaving its money on the rear windows of buses and in million dollar elections.

Havana Rejects U.S. Draft Resolution on Human Rights

PA1412010494 Havana PRENSA LATINA in Spanish 2253 GMT 13 Dec 94

[FBIS Translated Text] United Nations, 13 Dec (PL)—Cuba today rejected a U.S. draft resolution on the so-called human rights situation on the island, considering it another aggression within the context of the hostile U.S. policy toward Cuba.

Cuban representative Juan Antonio Fernandez described as an immoral paradox the U.S. pretension to pass judgment on his country's human liberties, considering that for 30 years the United States has been implementing a virtually genocidal policy that violates his country's every right.

He also noted that all of this has been done to force 11 million Cubans to surrender out of hunger and disease for having chosen sovereignty and independence and for defying the powerful empire.

That is how Cuba responded to the U.S. document approved today by the UN General Assembly Third Commission. The document urges the Cuban Government to end alleged human rights violations on the island and to receive a special rapporteur for verification.

There were 62 votes in favor of the resolution, 22 against, and 64 abstentions. Only one Third World country, the Dominican Republic, appeared on the list of cosponsors of the document.

The draft is similar to one approved last year, 62-18-52, and must now be discussed at a plenary session of the General Assembly.

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In his response, the Cuban diplomat recalled that the United States eliminated its indigenous population, expanded its territory by grabbing land from its neighbors, maintained a close alliance with the most repressive regimes since World War II, and has invaded and waged war against other nations.

The diplomat said that these days laws are being approved in the United States which institutionalize racism and deny health and education services to children and relatives of undocumented workers.

Fernandez said the draft resolution represents a shameless campaign and political vengeance that creates pretexts and conditions and encourages actions that are far from the result of an authentic, sincere concern for human rights in Cuba and only pretends to legitimize aggression against the island.

Fernandez said: "Cuba, which has done so much to guarantee its people's human rights, which has shown solidarity with the sufferings of others, which has embraced the world's just causes, does not feel on trial or accused."

The diplomat said his country will continue with its historic plan for social justice and national dignity and will continue to develop its policy of opening toward the world, calling for permanent friendship with all nations.

Fernandez said Cuba will continue to implement all the transformations that the sovereign will of the people decide, will maintain its cooperation with all UN human rights mechanisms that are of universal,impartial, and nonselective application, including the high commissioner for human rights.

Fernandez emphasized: Cuba "will not tire of denouncing such maneuvers and will do so as often as necessary. We will accept neither the imposition of a special rapporteur nor the resolution designating him, an illegitimate fruit of the political interests of a big power that will not abandon its determination to make us bend."

Spanish Ambassador Denies Cuban Pressures To Resign

PA1312191894 Madrid EFE in Spanish 0604 GMT 13 Dec 94

[FBIS Translated Text] Havana, 13 Dec (EFE)—Spanish Ambassador to Cuba Jose Antonio San Gil confirmed that he presented his resignation letter to the Spanish foreign minister on 28 November but he added that "it was not due to pressures from the Cuban Government."

In statements to EFE, Jose Antonio San Gil said that "it is not true that I tendered my resignation because of pressures by the Cuban Govvernment, which has not exerted any pressures and which, in general terms, has behaved correctly."

He added that if he has presented his resignation, it is due to "fundamental reasons, which I consider sufficiently important to lead me to resign."

Ambassador Jose Antonio San Gil also said that so far, he is unaware of his government's decision, "if there has been any."

Jose Antonio San Gil is probably the first Spanish ambassador to resign his post since the time of the civil war and there is no doubt that the news of his resignation is going to have an important impact in international diplomatic circles.

San Gil arrived in Havana only 18 months ago and during his stay, he received here Spanish Culture Minister Carmen Alborch and Jose Luis Dicenta, Spanish secretary of state for international cooperation and Latin America, who prior to leaving met with some representatives of Cuban dissidents.

Cuba Joins UN Committee on Peaceful Use of Outer Space

FL1412121394 Havana Radio Rebelde Network in Spanish 1800 GMT 10 Dec 94

[From the "National Radio News"]

[FBIS Translated Text] Cuba will form part of the UN committee for the peaceful use of outer space. This was approved, just yesterday, by the plenary of the UN General Assembly. Correspondent Demetrio Villa Urrutia interviewed Abelardo Moreno, minister-adviser [Ministro Consejero] of the Cuban Mission to the United Nations.

[Begin Recording] [Villa] Abelardo, what is your opinion on Cuba's participation in this committee next year.

[Moreno] Comrade, we believe yesterday's vote at the plenary of the UN General Assembly on the expansion of the UN Commission for the peaceful use of outer space, is significantly important because it represents another defeat of U.S. attempts at aggression against Cuba.

We believe our inclusion in this body is particularly important for us, not only because of the political element already mentioned, but also because it gives us the opportunity to have direct access to all the programs that are carried out regarding international cooperation for the peaceful use of outer space in the United Nations, and it allows our organizations that oversee this area to strengthen their contacts with their counterparts in the rest of the world.

[Villa] What are the main responsibilities of the UN committee for the peaceful use of outer space?

[Moreno] Its main responsibility is to coordinate cooperation in this area. As you well know, just about all the states that have worked in the peaceful use of outer space, have specialized organizations, in charge of this activity.

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[Villa] We have just heard from Abelardo Moreno, minister- adviser of the Cuban mission to the United Nations, on yesterday's vote, of 165 in favor and 1 against, at the plenary of the UN General Assembly for the expansion of the UN committee for the peaceful use of outer space and Cuba's inclusion in that committee in 1995.

Youth Weekly Reports Black Market Prices Down

FL1212160794 Bridgetown CANA in English 2150 GMT 11 Dec 94

[From CANA's broadcast news summary 11 Dec]

[FBIS Transcribed Text] Black market prices in Cuba for food and other goods have fallen by some 40 per cent in four months, thanks to reform measures that have undercut the underground economy.

Juventud Rebelde, the official communist youth weekly, confronted head-on the issue of the black market, a mainstay for consumers amid the country's current severe economic crisis and chronic shortages.

The paper quoted an economist from the National Institute of Economic Research, Estela Espinosa, as saying prices had fallen 40 per cent between August and November.

The newspaper said the black market started growing when Cuba was plunged into economic crisis by the collapse of communism in the former East bloc.

Amid shortages of food and other goods, prices in the underground economy were estimated to have risen some 50 times between 1989 and the beginning of this year.

Minister: Excess Currency To Decline by $2 Billion

PA1212185594 Havana PRENSA LATINA in Spanish 1604 GMT 11 Dec 94

[FBIS Translated Text] Havana, 11 Dec (PL)—The excess circulating currency available to the Cuban people will decline by $2 billion at the end of 1994, Jose Luis Rodriguez, finance and prices minister, has said in an interview published today by the weekly JUVENTUD REBELDE.

Rodriguez has said the official estimates have established that global liquidity shrank by 2 billion pesos (equal to the U.S. dollar at the official exchange rate) this year.

Several measures were implemented beginning 1 June, such as the increase of prices of nonessential products, the elimination of gratuities, and other measures. Those measures were intended to cleanse the economy, to reactivate the value of the national currency, and to promote labor productivity.

The item for which most taxes are collected, Rodriguez said, is the sale of cigarettes, followed by alcoholic beverages. This measure has allowed the state to collect money without taxing basic products the state delivers through the ration card.

Consequently, the peso has gained relative strength even with regard to the convertible currency, and there are also signs of price reductions in items that were sold in the so-called underground economy (black market), the high-ranking official has said.

Regarding the actions that will be adopted in 1995 to secure an improvement of the budget situation in comparison with the program for the year that is about to end, Rodriguez announced a restrictive policy of recovering accounts uncollected from state-owned enterprises this year. This will result in a reduction of the government budget deficit to the tune of 40-50 percent and will be related to the allocation of subsidies for losses incurred in carrying out collection and payment policies, Rodriguez said.

The minister has said any state-owned enterprise that does not carry out a correct collection and payment policy will not receive a subsidy allotment, and the state will not cover its expenses with income from the budget indiscriminately.

Havana Prosecutor Provides Update on Decree 149

FL1312024594 Havana Radio Progreso Network in Spanish 1200 GMT 12 Dec 94

[Report by Alemai; from the "First Thing" program]

[FBIS Translated Text] Good morning. Since the implementation of Decree 149 on profiteering, many vehicles and illegally purchased homes have been seized from moneybags. Many of these have already been confiscated. However, a portion of our population wishes to know what has been done to date with items seized from the moneybags. In order to find out more about this legal process, we asked Enrique Valdez Machin from the Havana Prosecutor's Office.

[Begin Valdez recording] Since our media first announced this, we have heard diverse opinions: It is a good law; it was needed, some said. If it were mine, why can't I sell it? asked others. The truth is that the decree is being implemented, the investigations are yielding results, and the files are growing.

Right now, 683 files have been opened in Havana and 14 judicial processes have been initiated. As you can see, the process continues. However, rather than focusing on this figure, we want to focus on the legal and moral grounds that support this measure. Earlier I mentioned the comment, why can't I sell what is mine? Seen this way, it seems to be a great abuse, but what these people do not say is that these goods were given to them for their outstanding role in the economic, political, and social

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development of Cuba, as part of an upright policy of incentives, at low prices, and easy payment installments. [end recording]

Enrique Valdez Machin added that one of the clauses in the contract accepted and signed by the recipients of these goods stipulated that the state reserved preferential purchasing rights, forbade their sale, and committed the owner to utilizing the goods for his and his family's personal use. He added:

[Begin Valdez recording] Therefore, these comments make us wonder: Who is the state telling they can't sell what is theirs? Which of these citizens contacted a state representative to sell their vehicles and was told he could not do it? The matter is not the sale, but the juicy profits it yielded. It is no secret that the majority of these goods were bought by moneybags at exorbitant prices. Therefore, reclaiming the goods for the Cuban state is not an abuse as some people affected complain, but an act of justice because the buyers were also aware of the illegality of their actions. [end recording]

Commentary on Reduced Centralization, Self-Employment

FL1112210894 Havana Radio Progreso Network in Spanish 1100 GMT 10 Dec 94

[Commentary by Nestor Nunez, read by Rodobaldo Hernandez; from the "First Thing" program]

[FBIS Translated Text] The announcement about broadening self-employment possibilities and authorizing professionals to work in that sector is an important step in Cuba's new economic infrastructure. It is evident, given our circumstances, and as a simple matter of guaranteeing and developing growth, that self- employment increases motivation and releases productive forces, broadens work options, limits state involvement to necessary levels, and plays an important role in the efficient economic model that we must construct to overcome the current situation. Finally, the criteria is being implemented that central organizations should only regulate, accumulate, and distribute resources, rather than thoroughly controlling or even monopolizing smaller interests, which in the long run become useless, troublesome barriers because of their inefficiency.

I am referring to the possibility of increasing self-employment options. These could be extended to other sectors where they would doubtless have more positive results than extreme centralization does. Furthermore, the opportunity for professionals to become self-employed in sectors not related to their specialties is in my opinion only fair. If we consider that to date, this sector had only their salaries—relatively good salaries, traditionally, but under the current circumstances, low compared to the opportunities slowly opening in a consumer market. There would also be the added incentive of the distributive principle, which offers more to those who contribute more. In the future, professionals will be able to work in other areas in which they have abilities, at the same time continuing with their own line of work. This no doubt increases individual motivation, while broadening the range of services offered for fulfilling the needs of the common people.

I should say that I applaud these measures and support them wholeheartedly. They are the fruit of a very intelligent and realistic analysis of the situation. At the same time, they establish the most efficient methods for the reorganization project, in which Cuba has invested so much effort toward recovery. New options, new minds, and qualified hands on the job cannot help but yield improved fruits.

Inter-Caribbean Affairs

Leaders React to Results of Summit of Americas

FL1412002394 Bridgetown CANA in English 2252 GMT 12 Dec 94

[From the "Broadcast News Summary"; no dateline as received]

[FBIS Transcribed Text] Convinced that they have been able to get the required attention from their more prosperous neighbours in the North, the English-speaking Caribbean is optimistic that the Summit of the Americas conference could help turn their economies and standard of living around.

Antigua and Barbuda's Prime Minister Lester Bird says he thinks it became clear to President Clinton and the other leaders that the Caribbean Community [Caricom] countries were determined not be marginalised.

Jamaica's Prime Minister P.J. Patterson concedes that the final declaration issued by the conference has shown substantial improvement on the earlier drafts to which the Caricom countries had raised certain objections.

Barbados Prime Minister and Caricom Chairman Owen Arthur says while the Caribbean pleaded to join in the new partnership for development and prosperity in the hemisphere, it was nonetheless practical in knowing that there was still need for some form of concessions.

English-Speaking Caribbean Hopeful Over Summit

FL1312190894 Bridgetown CANA in English 2104 GMT 12 Dec 94

[CANA Feature by Peter Richards]

[FBIS Transcribed Text] Miami, Dec. 12, CANA—Convinced that they have been able to get the required attention from their more prosperous neighbours in the North, the English-speaking Caribbean is optimistic that the Summit of the Americas conference could help turn their economies and standard of living around. "I think it is fair to say that because of the way we had approached our intervention in the meeting, that it

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became clear to President Clinton and the other leaders that in fact the Caricom (Caribbean Community) [passage indistinct].

Barbados prime minister and Caricom chairman Owen Arthur [passage indistinct] form of concessions. [passage indistinct] Americas will come about by sensible planning and well-directed actions rather than divine magic". "Our dependence on trade and our experience of economic integration have convinced us that trade liberalisation can indeed be the tide that lifts all boats. "These same experiences, however, [passage indistinct] administration officials said at the summit, that the [words indistinct] some form of debt relief or debt re-programming to countries of the Hemisphere.

But the major initiative to have emerged from this summit, has been the decision to establish by [words indistinct] in a state of readiness to join the grouping. [Passage indistinct] some problems with both NAFTA and AFTA [American Free Trade Agreement] which the region must understand fully before making the leap.

"In the interim we need a breathing space. How are we going to reconcile the situation that we are in this free trade of the Americas and although it recognises you could have regional and sub-regional grouping, NAFTA is clearly the component for trade among the larger countries," he said.

"I think it is something that is still up in the air, as to how we get into the NAFTA and the next step into AFTA. I think the Caribbean has to know clearly where it stands".

Patterson notes that Caricom has always recognised the need to subscribe to free trade, and believes that "setting the timetable of 2005 for AFTA gives everybody enough time to come onboard and certainly by the time Caricom comes to negotiate as a group ... we should have taken the necessary decision to gear us for full participation".

The region will have ample time to get its message across. The summit [words indistinct] ministers to put in train the necessary steps for establishing the AFTA, and it is within such a grouping that the region must determine whether AFTA goes forward or is left to be seen as just another recommendation from a meeting of world leaders.

Bananas, a commodity which provides the mainstay of the economies of Dominica, Grenada, St. Lucia and St. Vincent and the Grenadines, had become a matter of interest to the summit, not only because the region had objected to the US decision to investigate the agreement under which they sell their fruit to the European market, but mainly because of the decision by Dame Eugenia to stay away if it had not been an agenda item.

Mickey Kantor, the United States trade representative told reporters after meeting with the Caribbean delegation that he had no problem with the preferential treatment given to Caribbean bananas, his problem and that of Washington had to do with the whole question of promoting free trade, and therefore the European Union's regime had to be looked at.

"The idea is of levelling the playing field, making the rules fair," he said. But Dame Eugenia told CANA that the Caribbean had objected to any investigation because if the European Union agreed with Washington it would mean re-opening the whole agreement.

"The regime they give us is not what we wanted but we could live with it, if they had to re-open it you could never know if we could get something worse, I was not prepared for them to re-open it".

In the end, the US and Caribbean banana countries agreed to the establishment of a working group to discuss the issue further, while at the same time, the Caribbean delegates reporting that Washington would put on hold, its investigations under section 301 of the United States Trade Act of the banana regime.

Arthur said that the region was pleased with the progress made at resolving the issue. "For some micro-economies in the Caribbean, the banana industry is not just the production of a commodity but embodies their entire economic culture and its continued prosperity holds the key to the very survival of these economies," he said.

The final document issued by the summit, showed that agreement had been reached on more than 100 [words indistinct]. The document also showed that the Organisation of American States (OAS) will play a pivotal role in ensuring that not only are the main recommendations carried out, but that the momentum gathered at the summit is maintained until another such gathering is held.

While the Caribbean may feel comfortable with the OAS presence, it may however have some cause for concern given the large Latin component within the hemispheric body.

OAS has sought to allay the fears of the English-speaking Caribbean. It organised a conference here on Monday on bridging the information gap between the Latin and Caribbean countries, with the intention being "to move the integration process" forward.

"... the majority of people of each sub-region remains ignorant of each other and are uninformed and uneducated about each other's culture, systems of government and economic conditions", assistant seretary general Christopher Thomas said.

Group Seeks Resolution of European Banana Questions

FL1312175994 Bridgetown CANA in English 2208 GMT 12 Dec 94

[FBIS Transcribed Text] Miami, Dec. 12, CANA—United States and Caribbean banana officials have agreed on the terms of reference a joint technical group

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on bananas will work with to seek an amicable solution to the threat posed to the Caribbean economies by a United States investigation of a banana trade accord with Europe.

Washington has objected to the preferential agreement being afforded to the Caribbean banana producing states of Dominica, Grenada, St. Lucia and St. Vincent and the Grenadines as well as Jamaica, worked out under the Lome Convention, the aid and trade pact linking African Caribbean and Pacific states with the European Community.

Two US multi-national companies have filed an objection under section 301 of the United States Trade act, and last week, US Trade Representative Mikey Kantor said that Washington while it supported the agreement as it pertains to the sale of Caribbean bananas in Europe it had difficulties with certain aspects as it posed a constraint to free trade. According to the terms of reference worked out by the officials, the working group will "examine issues raised in the context of US investigations under section 301 of the US Trade Law". It will also "examine US concerns about certain elements of the European Union banana regime" and "to provide the results of this work to their governments for subsequent consultations at the political level".

The working group is expected to begin its work in January.

Caricom [Caribbean Community] government leaders have expressed satisfaction at the outcome of their deliberations with Kantor on the banana issue during the recently held Summit of the Americas. It was during this meeting that the officials had agreed on the establishment of the joint working group to further discuss the banana problem.

Bahamas

11 Refugees Voluntarily Repatriated to Cuba

FL1312221194 Nassau Bahamas Radio Network in English 1800 GMT 13 Dec 94

[FBIS Transcribed Text] A total of 11 Cuban refugees who were detained at the Carmichael Road detention center are back home, in Cuba, today. The Cubans left voluntarily. Anthony Pearce reports:

[Begin recording] [Pearce] The 11 Cuban refugees assembled at the Nassau International Airport yesterday had one objective in mind, which was to return back to their native homeland. (Ramon Batista), the only English-speaking member of the group of 10 men and one woman, left his brother, among many others, behind at the detention center at Carmichael Road still determined to seek refuge in the United States.

[(Batista)] I go back to Cuba because I like to stay with my family. I missing my family.

[Pearce] The 11 Cubans agreed that, while at the detention center, they were given enough time to reconsider their decision to seek refuge in the United States. They left for Cuba from the Nassau International Airport at 1830 Sunday.

The director general of the Ministry of Foreign Affairs, Mr. George Stewart, stated the Cuban Government's role in the repatriation exercise.

[Stewart] The Cuban Government was notified of the desire of (?their masters) to come back home. They communicated that desire to the Cuban Government, and the Cuban Goverment said yes.

[Pearce] The deputy permanent secretary at the Ministry of Foreign Affairs, Mr. Carlton (Wright), says this is the first request from the more than 200 refugees held at the detention center to return home. The Ministry, he said, is willing to accommodate others with the same wish.

[(Wright)] There may be others who would wish to join their fellow compatriots in returning to Cuba, perhaps sometime in the future. We will respond to that request if and when it should arise. [end recording]

Jamaica

Prime Minister Views Summit, Regional Trade Pacts

FL1312215194 Castries HTS Caribvision Television in English 1945 GMT 13 Dec 94

[From the "Caribbean Evening News" program]

[FBIS Transcribed Text] The United States and the Caricom [Caribbean Community] region are to work closely to resolve their remaining differences pertaining to the banana industry. So says Jamaica's prime minister, P.J. Patterson, who has just returned from the Summit of the Americas, in Miami. According to Patterson, the two countries, in an effort to resolve their differences, have put in place a joint technical group which is to commence work immediately:

[Begin recording] [Correspondent] The prime minister disclosed that the remaining concerns over the continuation of the preferential treatment of Caribbean bananas will be dealt with by technocrats from the region and the World Trade Organization and GATT.

[Patterson] The United States has before it what is qualification 301, and the government of Caricom and the USA, in the light of that, have further agreed to form a joint technical working group on bananas to examine whatever concerns remain with the Americans and to provide the results to the various governments so that a final decision can be made at the highest political levels.

[Correspondent] The committee is expected to begin work immediately. Prime Minister Patterson hopes that

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the topic of bananas, the last hurdle between Caricom and Central America, will indeed be the end of those regional differences.

Prime Minister Patterson also noted that with Chile being invited to join NAFTA, it is still being left to be seen whether other countries will opt to join the trading bloc or whether they will be invited. He feels that the alternative is to wait on the emergence of a free trade area in the Americas.

[Patterson] Instead of the 34 countries seeking to access NAFTA, we are likely to witness a situation where NAFTA exists as one bloc and there is a negotiation with other regional trading blocs—such as Mercosur, the Andean Pact, the Central American Common Market, and Caricom—rather than individual negotiations to accede to NAFTA.

[Correspondent] As a consequence, ministers responsible for trade have been charged to initiate a work program for the development of a hemispheric free trade zone and submit a preliminary report by June next year. A final report and timetable should be in place by March 1996.

Turning to discussions on debt relief, the prime minister commended Canada on their program on debt forgiveness and is awaiting word from the Clinton regime as to their policy. Mr. Patterson said the president of the Inter-American Development Bank has promised to visit Jamaica next year to discuss programs which could be implemented.

In concluding, Prime Minister Patterson noted that the voices of the Caribbean were loudly voiced and heard. He said the Caribbean states will be insisting on early action and implementation of the decisions taken. [end recording]

Editorial Criticizes U.S. for Not Inviting Cuba

FL1312205594 Bridgetown CANA in English 1420 GMT 13 Dec 94

[All quotation marks as received]

[FBIS Transcribed Text] Kingston, Jamaica, Dec. 13, CANA—Following is the text of Tuesday's editorial in the Jamaica GLEANER.

"The historic Summit of the Americas has just ended in Miami, with 34 Heads of Government signing a four-point declaration of principles and a detailed plan of action for the establishment of a free trade area of the Americas by the year 2005.

Caribbean countries, including Jamaica, predictably voiced their concerns about debt rescheduling, in the light of what they termed their "small, unbalanced economies". It will be some time before any tangible benefits arising from the Summit conference will become evident, and we hope that the hemispheric venture will not go down in history as just another talk shop with noble ideals and good resolutions.

Inevitably, although diplomacy and etiquette prevented the matter from becoming an explosive issue, the exclusion of Cuba from the Summit received much attention from many nations, with Canada stating unequivocally that it disagreed with the continued U.S. trade embargo against Cuba and President Clinton's pointed failure to invite Cuba and its leader Fidel Castro to the Miami talks.

With the disintegration of the Soviet Union, which at one time was spending the equivalent of U.S. 1-million a day to keep Cuba as a threat to U.S. security and as an export point for world communism, Cuba and Fidel Castro have ceased to be credible threats to U.S. security or indeed to democracy in this hemisphere. The United States, which liberated Cuba in 1898 in the Spanish American war after the controversial destruction of the U.S. battleship Maine in Havana Harbour on a friendly visit, has had its run-ins with Fidel Castro's nation with the Bay of Pigs invasion in 1962. Before Castro came to power the U.S. had long turned a blind eye to the excesses of the Batista Regime. Castro chose to adopt communism and the U.S. reacted in predictable style. But it is now past time to bury the hatchet and ease the hardships the U.S. trade embargo creates for the Cuban people. Fidel Castro will not be there forever, and the survival of communism is unlikely even in China and Eastern Europe.

We therefore applaud the stand taken by Canada, which has gone on record as favouring Cuba's participation in future Summit meetings in this hemisphere, and pledging that it will do whatever it can to bring Cuba into regional affairs and to encourage Canadian business firms to trade with Cuba.

With its low crime rate, cultural and historic attractions and proximity to the United States, Cuba (?can) in time become a tourist destination rivalling Miami, Jamaica and the Bahamas. That is as it should be, and the competitors must all do their best to provide tourists with the best services they can, letting the chips fall where they will. The continued boycott of Cuba by President Bill Clinton's addministration is an anachronism."

Haiti

Aristide Returns From Summit, Preaches Peace

FL1312211994 Port-au-Prince Signal FM Radio in French 1130 GMT 13 Dec 94

[FBIS Translated Text] President Aristide returned to Port-au-Prince on 12 December after spending three days in Miami at the Summit of the Americas. The Haitian president once again preached peace, explaining that Haiti is the country of all Haitians and that all Haitians must be able to live without fear in a better Haiti:

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[Begin Aristide recording, in Creole] Remain steadfast, do not give up. The job requires many arms, and we have arms to work. The job requires many heads, and we have heads to think, we have heads to calculate. The job requires many hearts, and we have hearts that are beating so we can love our country, so we can love one another. The job requires many eyes, and we have eyes to watch over others so we can continue to support one another, so we can continue to walk with one another. It is with these words that I will tell you: Be courageous, remain steadfast, do not give up! Tightly united together, we will collect as we go along. [end recording]

Senator: ACP Not In On Electoral Council Decision

FL1312132594 Port-au-Prince Signal FM Radio in French 1130 GMT 12 Dec 94

[Remarks within quotation marks in Creole]

[FBIS Translated Text] The formation of the Provisional Electoral Council has given rise to many reactions in Haitian political circles. The Alliance for Parliamentary Cohesion [ACP] senators have not been consulted by the [Senate] office members and are waiting for a formal consultation on the question, according to ACP President Senator Dejean Belizaire who points out that a permanent electoral council should take care of the next elections in accordance with the Constitution. Belizaire answered Leontes Dorzilme's questions:

[Begin recording] [Belizaire] "What I can tell you is that we in the National Patriotic Movement of 28 November did not receive invitation to participate in this meeting. That is why....[pauses] I believe we were never in a position to give President Aristide our opinion regarding the question of elections.

[Dorzilme] "Sen. Belizaire, this means you did not have the chance to take a stand on the question of forming a provisional or permanent electoral council. Please tell us your position? Do you agree with a provisional electoral council?

[Belizaire] "Leontes, I believe—and you can realize that—we have always been partisans of respect for the Constitution. That is why we did everything we could to achieve a permanent electoral council when the question came up during the 18 January 1993 elections. As you well know, the National Front for Change and Democracy was willing to boycott the 18 January elections. Despite everything, we were able to make a choice. We made a choice with the participation of 60 parliamentarians who signed the document. But we understood that in regard to form, the Constitution was not respected. When we sent the names to Prime Minister Marc Bazin, we directed his attention to the issue. Despite the fact that the members underwent the tests of the local organizations, of the territorial organizations, it could be only an exceptional permanent electoral council." [end recording]

Christian Democrats Concerned Over Electoral Decision

FL1312235394 Port-au-Prince Signal FM Radio in French 1130 GMT 13 Dec 94

[FBIS Translated Excerpt] The Haitian Christian Democratic Party [PDCH] has issued a press release in response to an 8 December presidential order, expressing their reservations about the creation of a provisional or transitional electoral council. The late Sylvio Claude's party recalls in the press release that this approach not only has already been taken but also has been rejected by a branch of the Senate and the international community [words indistinct] the elected representatives of 18 January 1993. The PDCH believes that repeating such an act would prove a new and irritating constitutional violation. The press release says that it would be particularly irritating under the authority of the legitimate and constitutional government that U.S. President William Jefferson Clinton and the international community consider democractic. The PDCH says that this has cost the country three years of severe embargo and foreign occupation. [passage omitted]

The PDCH, despite its disappointment, supports the steps taken by Balthazar Simphar Line's electoral council aimed at guaranteeing the safety of the documents submitted by the concerned persons at the time of registration of candidacies, such as titles, birth and baptism certificates, and so on, the PDCH note signed by PDCH President Joachim Pierre concludes.

Trinidad and Tobago

Minister Reports Nation Ready To Join NAFTA

FL1312210594 Bridgetown CANA in English 1941 GMT 13 Dec 94

[By Peter Richards]

[FBIS Transcribed Text] Miami, Dec. 13, CANA—Trinidad and Tobago has signalled its intention to seek membership of the North American Free Trade Agreement (NAFTA) "at the earliest opportunity" following Chile's acceptance into the free trade grouping.

Finance Minister Wendell Mottley, addressing a business session of the 18th Miami Conference on the Caribbean and Latin America, said: "I wish to state unequivocally that Trinidad and Tobago is ready for NAFTA." Mottley said that NAFTA, with its promises of improving the socio-economic life of the region, had appealed significantly to the Caribbean republic and questioned whether the Caribbean Community (Caricom) would now be able to enter NAFTA, which groups Mexico, the United States and Canada, with Chile's acceptance. "Is NAFTA membership now frozen with Chile's accession? Or is NAFTA going to evolve into the America Free Trade Agreement (AFTA) in 2005?" Mottley asked.

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' If the answer is the former, then we will all have wasted a lot of time, effort and money and we will simply have to fold our tents and go home.

"We hope that the latter is true. Our Mexican friends have always stated that it was upon their insistence that a docking clause was written into the NAFTA treaty because of their intention of holding out for the widest qualifying membership."

Mottley said that such a position was also confirmed by the Canadians and Washington, adding: "We would all be very interested in learning from Chile how they see that process working from May 19945 onwards." He said that despite the uncertainties, Trinidad and Tobago wanted NAFTA membership "at the earliest opportunity" and proposed from within that membership "to evolve into the AFTA in 2005".

Hemispheric leaders at their Summit of the Americas here last weekend agreed in principle to the formation of AFTA, a free trade area from Alaska to Argentina, but the establishment of AFTA raised many concerns about the relevance of NAFTA.

Mottley said that his concerns about entry into NAFTA as soon as possible have been shared by Jamaica "and all of the Central American Republics".

The Finance Minister used his address to the conference to outline Trinidad and Tobago's efforts at being prepared for the changing global environment, highlighted by trade liberalisation and an improved economic performance.

"Already we have had a receptive response from Mexico to our request for bilateral trade and investment arrangements incorporating NAFTA-like disciplines," he said.

"We expect to establish a firm time-table for negotiations within the first hundred days of the new admimistration.

"In similar vein, we have tabled proposals with both Venezuela and Colombia for enhanced trade arrangements which go considerably beyond existing bilateral agreements," Mottley said.

Mottley said Trinidad and Tobago was also seeking closer cooperation with the Mercosur countries, adding "success in our Latin American crusade would open to us a very buoyant market of over 300 million....

"However, the piece de resistance for Trinidad and Tobago, like the rest of the world, must remain membership in NAFTA," he said.

Trinidad and Tobago's Prime Minister Patrick Manning, addressing a dinner here Monday night, also noted the "major objective" of being a member of NAFTA. "At home we have accelerated actions to achieve this to the point where an authoritative study has recently identified Trinidad and Tobago and Chile as the two most eligible countries for NAFTA accession," Manning said.

The United States, Canada and Mexico on Sunday formally invited Chile to start trade talks in April to join NAFTA and become a full member by mid-1996.

Manning said that given the policies adopted by his country and the rest of Latin America, "the prospects for a substantial and sustained increase in the standard of living of the region have become very real". He urged continued trade expansion, calling for the Caribbean and Latin America to "pursue vigorously the development and implementation of the blueprint and agenda set by the Summit of the Americas for the establishment of an hemispheric free-trade area".

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Zedillo Tells Legislators 'No War in Chiapas'

PA1412040994 Mexico City Radio ACIR Network in Spanish 0000 GMT 14 Dec 94

[Report by Rosie Huaxe; from the "Evening News Panorama" newscast]

[FBIS Translated Text] [Anchorman Jose Cardenas] Mexican President Ernesto Zedillo, continuing a practice he began a few days and weeks ago, today met with one-third of the legislature; that is, the delegates to the Mexico City Assembly. This is part of a new political dialogue with the legislature. These Assembly members form the beginning of what will someday be the Mexico City Congress, when the capital becomes Mexico's 32d state. Rosie Huaxe has the report.

[Huaxe] Chiapas was the subject of discussion at the Assembly. The delegates demanded peace and a dignified, just solution for the state. President Zedillo offered dialogue and understanding, saying that the dissatisfied must reconsider and that there should not and will not be war in Chiapas. Before the Mexico City Assembly delegates, Zedillo answered the PRD [Party of the Democratic Revolution] and PT [Workers Party of Mexico] delegates, who demanded a solution to the Chiapas conflict. Zedillo said he is willing to make dialogue a priority and to provide a dignified, just solution to the backwardness that has aggravated the problem. Let us listen to what he had to say:

[Begin Zedillo recording] Let it be clear, let it remain clear: There will be no war in Chiapas, because that is not the will of the Mexican people, their representatives, or the government. The only step we have yet to take to initiate the process of a dignified and just peace is to hold a dialogue. I will be waiting 24 hours a day every day of every week, for as many months as necessary, to begin this dialogue under dignified conditions of respect and tolerance. [end recording]

Amid the clapping of 66 delegates and the shouts of Ivan Garcia, a PRD teachers' leader who demanded the elimination of powers and Eduardo Robledo Rincon's death in Chiapas [En medio del aplauso de 66 asambleistas y el grito de uno, Ivan Garcia, un lider magisterial del PRD, que exigio la desaparicion de poderes y la muerte de Eduardo Robledo Rincon en Chiapas], Zedillo insisted that he will defend dialogue because it is the political resource par excellence and that those who reject it are negating democracy.

Zedillo had lunch with the delegates at the Mexico City Museum. He was accompanied by Oscar Espinosa Villarreal, head of the Federal District, and Government Secretary Esteban Moctezuma, who has already been instructed to meet with political leaders to advance Mexico's democratization. Zedillo told Espinosa: We require not only your talent and sensitivity but your capability as an economic promoter. Zedillo said it is time to end the notion that the vitality of Mexico City's political and economic life must be stifled to end centralism. Zedillo said his government will consider the people's participation because he wants feasible and convincing solutions backed by the community. In conclusion, he said that no proposal for a better democracy will be kept off the agenda for discussion. If you ask me to talk about direct elections, that is what we will do, he said.

Cardenas Meets Marcos, Views Risk of 'Civil War'

PA1412050194 Madrid EFE in Spanish 0426 GMT 14 Dec 94

[FBIS Translated Text] Lacandona Jungle (Mexico), 13 Dec (EFE)—Mexico is on the brink of a civil war because the government has not shown any "willingness" to resolve the Chiapas conflict, former presidential candidate Cuauhtemoc Cardenas said after meeting today with Subcommander Marcos, leader of the Zapatist guerrillas.

Cardenas met with Marcos for two hours in Lacandona Jungle, where the Zapatist Army of National Liberation (EZLN) is based. The EZLN announced last week that it was ending the 11-month truce.

According to Cardenas, Mexico is facing "serious risks" because "the government's willingness to respond to EZLN proposals to resolve the Chiapas conflict is nowhere to be seen."

Cardenas, a member of the Party of the Democratic Revolution [PRD], today decided to enter Lacandona Jungle for the second time in approximately one month to try to find a peaceful way to avoid a resumption of military hostilities in Chiapas.

The EZLN, which took up in arms in Chiapas on 1 January, announced last week that it considered the truce it had been respecting for 11 months to be broken in protest of the inauguration of new Chiapas Governor Eduardo Robledo, whom the opposition claims was elected by fraud.

The opposition leader said the Zapatista guerrillas feel "besieged" by "thousands of soldiers" who are all around the EZLN's positions.

Subcommander Marcos has announced that the truce which has been observed since 12 January ceased this past Thursday, but the rebels have not reinitiated the hostilities.

Cuauhtemoc Cardenas said that the right conditions for peace in Chiapas will come if the we solve the post-election problems, open the channels for democratic expression, fight extreme poverty, and end land tenure.

He added, however, that the government "has shown no willingness." On 21 August, when Zedillo was elected president of Mexico and Robledo state governor of Chiapas, "the will of the Mexican people was violated."

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The former presidential candidate for the PRD met with Subcommander Marcos and other guerrillas leaders in neutral areas of Guadalupe Tepeyac, between the guerrilla positions and Army lines.

The press was not granted access to the meeting, and EZLN militants intercepted journalists trying to cover the meeting.

Editorial Views Presidential Hemispheric Meeting

PA1412043494 Mexico City LA JORNADA in Spanish 12 Dec 94 p 2

[Editorial: "The Miami Summit: Ambiguous Balance"]

[FBIS Translated Text] At the presidential hemispheric meeting, which concluded in Miami yesterday, there were certain encouraging prospects for a redefinition of the ever conflictive relationship between the United States and its neighbors of the South, including Mexico: Outlines were made of various international cooperation mechanisms in the areas of commerce, the environment, health, education, human rights, and the struggle against drug trafficking. Several U.S. officials timidly admitted their government's incoherence on the issue of migration. Likewise, several Latin American delegations, among them our country's, headed by President Ernesto Zedillo, managed to avoid a declaration that would leave the OAS in charge of the interventionist task of certifying the democratic behavior of the nations of the continent.

Nevertheless, the agenda of the summit definitely did not deal with Latin America's priorities. Instead, it dealt with those of the United States. Our countries are in urgent need of forms of cooperation that will help combat the serious backwardness and social inequalities affecting the subcontinent that constitute a permanent threat to the political stability of their governments. These forms of cooperation may include free trade agreements between the Latin American nations, but that is not enough. In spite of this, the central topic of the Miami meeting was the launching of a continental integration plan, the execution of which is as ambitious as it is remote, and which would lead the region to the formation of a common market within a deadline of 10 years and, thus, to the formation of a commercial bloc similar to Europe's.

This plan, positive in principle, must be compared to reality: the number of possible participant states, the diversity of their degrees of development, communication problems, and distances are, in this part of the world, much greater than in Europe, where, nevertheless, commercial integration processes have taken much longer than a decade. This point was acknowledged by a Washington official who said the implantation of free trade on the continent could take not 10 years but 50. Contrary to the U.S. Government's assertions, the consolidation of democracy in Latin America is not indissolubly linked to free trade. It depends, however, on the implementation of urgently needed social justice.

Now then: If the manifest purpose of this impulse to the deregulation of trade is to foster "prosperity," the creation of jobs, and economic resources, it is obviously inhuman as well as unsustainable in political terms to propose to impoverished sectors, or the usually poor sectors, of Latin America to wait a decade, or even five, for international cooperation to begin somewhat relieving their situation, a situation worsened in part by the unequal terms of world trade.

Another criticizable aspect of the Miami meeting was Cuba's exclusion, which marks a dangerous and unacceptable precedent. Based on this exclusion, Washington could demand in the future that other governments in the hemisphere marginalize states with which it has developed political or ideological conflicts, and this could happen to any country in Latin America.

Among other issues, one particularly deplorable aspect of the meeting was the sad role played by Haitian President Jean-Bertrand Aristide, a former emblem of hope and redemption for his fellow Haitians, who at present has been reduced to the role of propagandist for the democratic goodness of the U.S. troops who invaded his country.

To conclude, it is necessary to mention the racist and provocative demonstrations organized by supporters of California's Proposition 187, which took place in the streets of Miami while the meeting was under way. In the attempt to offend President Zedillo, they insulted all Mexicans, and, after all is said and done, they acted against the interests of their own country to the extent that for the United States a good relationship with Mexico is a matter of strategic importance.

Chiapas Autonomy Proposal Assessed

95CA0054A Mexico City LA JORNADA in Spanish 14 Nov 94 p 27

[Article by Arturo Garcia Hernandez]

[FBIS Translated Text] Given the emergency in Chiapas and with a view toward the upcoming change of state government, researcher Jan de Vos, "like many others," advocates a transition government as the best way to overcome the antagonism stemming from the 21 August state elections. In addition, he feels that neither the former PRD [Party of the Democratic Revolution] gubernatorial candidate, Amado Avendano, nor the PRI candidate, Eduardo Robledo, took into account the multicultural nature of Chiapas in drafting their respective government plans.

Once again, de Vos said in an interview, "people who are more willing to engage in dialogue are needed to solve the problem. I wonder whether such people exist right now. I doubt it." In his opinion, one indispensable requirement for solving the problem is to install a "good government" in the state.

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"The Zapatists are completely right when they speak out against misgovernment. There has been misgovernment. Not only during the previous six-year term but in many previous ones too. The real problems of the people of Chiapas have not been attended. In the ancient and recent history of the state we have seen a lack of foresight, a lack of attention to society's serious problems, and I find it hard to believe that this attitude could be transformed into good government in one or two years."

Born in Antwerp, Belgium, a resident of Mexico since 1973, a student of the history of Chiapas, and the author of the books "Oro Verde. La conquista de la selva lacandona por los madereros tabasquenos" [Green Gold. The Conquest of the Lacandon Jungle by Tabasco Lumbermen] and "La paz de Dios y del Rey. La conquista de la Selva Lacandona" [The Peace of God and the King. The Conquest of the Lacandon Jungle], Jan de Vos thinks that "the military phase of the Zapatist movement no longer has a future. The EZLN [Zapatist National Liberation Army] said very clearly at several points that it was expecting so-called civil society to take over for it and take charge of ending misgovernment. Civil society at the national level seems to have been unable either to wake up or take over for it. There is the Democratic National Convention, but it is a very small group of very generous, very willing people who have very little political power. We have now seen, though, that down in Chiapas the Indians outside the armed movement have indeed taken over for it by creating the State Council of Indian and Peasant Peoples, which amid the initial euphoria comprised 280 organizations. They did take over from the EZLN, and we are seeing that the Indians in particular are resolutely demanding autonomy. Not throughout the state but in several regions the Indians as civil society, through their organizations, are taking a hand in the matter and demanding rapid, sweeping changes to improve their living conditions. I find this to be the newest, most interesting development."

Commenting on Carlos Salinas de Gortari's recent pronouncement opposing autonomy for the Indian communities, de Vos stresses his desire for dialogue, adding: "We cannot expect a response from an administration that has only a few weeks left in office. This is a package that the incoming president and government are going to receive. With everything that is going on in Chiapas, one has the impression that it is going to be very hard for Eduardo Robledo to govern. Because it is one thing to win the elections, even with the instances of fraud that have been cited, and it is another to govern a state in which discontent has reached the point where the Indians are no longer prepared to return to the oppression that they used to suffer."

A new book by Jan de Vos will be coming out in a few days, "Vivir en la frontera. La experiencia de los indios en Chiapas" [Living on the Border. The Experience of the Indians in Chiapas]. In it he addresses the conflicts created by the state's cultural diversity, even among the Indians themselves, though his research does not take him up to the time of the Zapatist uprising.

As for autonomy, de Vos says that we should not forget that the population of Chiapas is mostly mestizo and that only a bit more than a quarter consists of Indians living in communities that continue to speak their own languages and maintain their traditional structures. He says: "the great majority are mestizos, and they too have a right to continue living in the state. What do I mean by this? Well, that the autonomy that the Indians want cannot be an exclusionary movement. They say in their statements, of course, that it is a multiethnic autonomy in which mestizos have a place too. But after three or four centuries of oppression by the mestizos, it is going to be very hard for the Indians now to cultivate and achieve a democratic system marked by tolerance, a tolerance that never existed in the mestizos."

Naturally, "as we can see, autonomy is desired precisely in regions in which Indians are in the majority. So, one can even visualize a territorial breakup of the state into two parts: one in which the great majority of people have become mestizos, and the other in which the majority remains indigenous. The new state government in Chiapas and the federal government will have to be very astute politically to handle this movement."

De Vos tries to put himself in the Indians' shoes to explain the phenomenon from their perspective: "Over the centuries most of the Indians disappeared and became mestizos, and the ones who are now declaring themselves to be Indians are the small, remaining hard core, those who for many reasons could not or refused to lose their identity this way and who instead clung to it and remained different, as native Indians."

In this context, "this whole idea of administrative, cultural, educational, judicial autonomy, etc. is possible only in a country that is already doing a very good job cultivating and managing political democracy and cultural pluralism. And frankly, I think that these two spheres are just now being discovered in Mexico. So, if the demands are too strong and forceful, the reaction of the people in power is going to be too strong and forceful as well. And this brings us, I think, to the fundamental problem that we have been unable to solve in this country. We do not know how to solve problems through dialogue. There is much talk of dialogue, but has there really been any?"

Movement Cites EZLN Inspiration

95CA0050A Mexico City PROCESO in Spanish No 941, 14 Nov 94 pp 12-14, 16-17

[Report by Guillermo Correa and Julio Cesar Lopez]

[FBIS Translated Text] Sierra Madre de Chiapas—Eighty-four years after the Mexican Revolution, at the threshold of the 21st century, slavery and exploitation are still the norm for Indians at dozens of coffee plantations. Inspired by the Zapatist National Liberation Army

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(EZLN), thousands of permanently-resident peons and peasants at these rural estates have begun to rebel.

Just as the Indians in the Lacandon Forest region on 1 January of this year cried "Enough!" and revived the ideals of Emiliano Zapata, in August of this year the Indians of the Chiapas mountains, organized as the Francisco Villa Popular Peasant Union (UCPFV), began to take over rural estates, most of them owned by foreigners, primarily Germans. They are demanding land, and they staunchly declare that they are willing to die in the struggle to exercise their rights.

Throughout the rural estate areas in the municipal jurisdictions of Angel Albino Corzo (better known as Jaltenango de la Paz) and La Concordia, the rebels, including children, women, and the elderly, armed with sticks, machetes, and a rifle here and there, their faces covered with ski masks or bandannas, state that they are willing to take justice into their own hands. Their efforts to work through legal channels have yielded them nothing but frustration.

They complain that they have been abandoned "even by God." They accuse the authorities of complicity and reveal that some of their people have been murdered by "triggermen" hired by the estate owners.

Mexican and Guatemalan Indians report that they must work arduous days, eating nothing but *pozol* (corn meal with water) and beans. They are subjected to corporal punishment, such as whippings by the overseers, and they are paid in fake coins that they have to exchange for food (cans of sardines, rice, and salt) at estate stores. And as if that were not enough, their daughters and wives are subjected to sexual abuse by "the boss."

At the estates named Prussia, Sayula, and Liquidambar, which they have taken over, they show how the peasants live packed into huge "chicken coops" measuring as much as 50 by 20 meters, where they suffer from all the so-called "illnesses of poverty." They explain that in their short lives, few of them have ever known of the existence of a doctor.

Their eyes filled with tears, they describe how they sleep like animals on gigantic bunks fashioned with pieces of wood. They know of private jails maintained by the estate owners for those who refuse to work. And they say that there are no schools or sports fields, and they cannot listen to the radio, much less television.

Jaltenango: Heaven and Hell

The Jaltenango area is an orographic extension of the Chiapas Sierra Madre mountains. It has work force, productive structure, commercial, and technical ties with the Soconusco region, where most of the coffee plantations are located. And like Soconusco, it needs large contingents of seasonal labor.

According to researcher German Martinez Velasco, the establishment of the first rural estates—today the most important ones—came with the construction of the coastal railroad in 1908.

The Prussia estate was founded in 1910, Cuxtepeques in 1918, Liquidambar (the largest) in 1921, and La Catarina, Armenia, Esperanza, and Cenido in 1934. Some time later came El Gadow, Nubes, Nueva Esperanza, and La Cumbre.

In his study "Plantations, Guatemalan Labor and Immigration Policy on Mexico's Southern Border," Martinez Velasco explains: "The labor for these initial estates was supplied by the town of Los Altos de Chiapas, and to a lesser extent, by day laborers from the lowlands of Comitan, La Concordia, and Jiquipilas."

The researcher from the Southern Border Institute [Colegio de la Frontera Sur] states, "During this decade, while Tzotzil Indian labor has fallen off dramatically in Soconusco, in Jaltenango the presence of such workers is still significant; the estates in the region are showing a significant trend toward reducing this type of employment and hiring more and more Guatemalan immigrants."

Often, he adds, it was thought that the day laborers, whether Chiapan or Guatemalan, came in only during the harvest season. On the contrary, they tend to come in at various times throughout the year, all together or in shifts, during the different cultivation phases of the agricultural cycle. Whereas a large number of Guatemalan braceros have been found in Jaltenango at times other than winter, it is obvious that in Soconusco they are now a fixture of daily life.

"The presence of Guatemalans in Jaltenango is recent; their arrival coincided with the violent turn of events in Guatemala. For this reason, estates, ejidos, and ranches in the region have unexpectedly been given an additional source of labor."

10 Nov—At the summit of the mountains, after a six-hour trek from the closest municipality main town on winding mountain roads through steep canyons and impoverished towns, the travelers come to Prussia, a coffee plantation covering more than 3,000 hectares, owned by the German family Folke Von Knoop Kahle.

After going through several checkpoints, they come to a banner in which the Francisco Villa Popular Peasant Union (UCPFV) demands "respect for land takeovers." The entire town comes out to greet the visitors, with everyone wearing hoods, even the babies, and shouts in unison: "The Fatherland lives, lives/The struggle continues, continues! Enough, enough with so much repression, fulfill the agreements or there is revolution! From the coast to the mountains, the struggle is for land! The people ask themselves, Who are these people? We are peasants, we want a solution!"

A Villist wearing a blue ski mask and riding a John Deere tractor/motor scooter asks the reporters to identify themselves and leads them to the center of the estate, where even children with their faces covered shout, "Death to the caciques!" They say, "Here and there, the struggle

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will continue!" and they warn, "Like it or not, the PRI is on its way out." They recall their dead, declaring that "the color of blood is never forgotten" and that they will exact their revenge. Two ladies carry a national flag.

In the main room, which boasts fine wood paneling, snake skins, cattle heads, plush rugs, light fixtures with fans, and a television-VCR, among other things, a masked man wearing a baseball cap, whose sad, sunken eyes are like all the others', states:

"Fellow peasants and members of the Francisco Villa Organization, on 15 September we took over the Prussia estate because of the poverty we have been suffering, since we have no land to work.

"We cannot expand our work; what little we have is not enough to support our families or to buy the medicines that will attack the diseases we suffer from."

The fact is, the nearly 900 hectares they were given to work in 1975 turned into practically nothing when the area was declared an ecological reserve, so now they are thrown in jail if they are caught clearing trees to plant crops.

Now, a peasant says: "We were easily deceived by so many proposals to help us with government loans, with a handicraft company, with organic fertilizer, and much more. It was all lies; they did not keep their word. On the contrary, we do not have any government aid. We lack potable water, electricity, credit, there is no aid for our rural roads.

"We are always very bad off; they have abandoned us; we do the work ourselves with picks, shovels, and hoes, so that we can get food when we go down to the municipality and take our products to market.

"We do not have any government aid, or maybe it gives aid only to the rich. And the PRI men, like Municipal President Alfonso Ramirez Ramos of Jaltenango La Paz, sell out to the caciques. The money that comes in to the municipality to aid the peasants is distributed among the landholders to kill the peasants.

"That is why we have organized the UCPFV. We reject the Germans and foreigners who have our land and take it over as if they were the first Mexicans. That is why we have to recover our lands, because we are natives of this place, because our grandparents and parents worked here for many years.

"That is why we peasants organized ourselves and seek to unite all the poor people of Mexico. We will achieve victory; we will not abandon our land; we will defend it because the peasants and the Indians have awakened. The organization will grow larger and stronger; we will conquer the rich estate owners. It is time to stop humiliating the Indians."

Shadow of Porfirism

A month earlier, other Villist peasants took over the Liquidambar estate, also owned by Germans. It is the richest estate in the region:

Comfortable and sumptuous homes, an air strip, electricity, piped water, spacious grounds, a swimming pool, a gym, a billiard table, a collection of refrigerators, televisions, and a hot tub on a terrace overlooking nearly 2,000 hectares of coffee trees—these were some of the luxuries enjoyed by the foreigners.

This was the first of a number of estates to be "taken over" in the almost inaccessible Chiapan mountains. On these estates, the permanently-resident rural estate peons, like prisoners, were identified only by number. With the exception of a few women who were raped, they never knew "the boss."

The followers of the EZLN, who have formed the State Council of Indian and Peasant Organizations (CEOIC), are waging a struggle in other parts of the state. According to ranchers, they have invaded more than 100,000 hectares outside the conflict zone. The Villists, caught up in the wave of takeovers, also seized the Sayula and Las Chicharras estates, owned by Jesus Orantes.

The Orantes family is accused of having ordered the hanging of many of the Indians who for years have been leading the struggle for land. They are linked to drug trafficking rings, and it is said that they and the German estate owners have "hired people to kill our leaders."

Roberto Hernandez Paniagua and Porfirio Vazquez Vazquez are two of the latest leaders to be gunned down.

On all of the estates controlled by the UCPFV, the peasants say that "the time has come to make this decision, because we cannot stand it any longer. The government must already know whether it has come to kill us. If it has, well, so be it. Besides, we do not want repression; we just want the cases we have filed with the Secretariat of Agrarian Reform (SRA) to be resolved. We are not fighting against the government, but it must recognize that we are owed these lands, and that it must buy them or give them away. There is no other way.

"We are screwed; it is a crying shame. The rich and the government have exploited us illegally. For a long time, we have tried to fight to defend our lands through legal channels, but to no avail. That is why we decided to take over the land, because it belongs to Mexico, and we are Mexicans. Let the foreigners go home, and leave our country to us. The estate belongs to us because it is within the legal radius of the ejido."

Peasants and coffee day laborers, both Chiapan and Guatemalan, have similar histories: "There was also a private jail here until a few months ago. When a comrade would get sick, there was no medicine. There was one who got burned, and the boss just laughed at him. Many Guatemalans died here. At one time the workers organized, because they had gone for four months without pay. The owner ran them all off, and now only Guatemalans come to work because they charge less, and they do not know how to demand their rights as Indians," say the people at Prussia.

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[PROCESO] Is there talk of an armed group here similar to the one in the jungle, called the Revolutionary Insurgent Army of the Southeast (EIRS)?

[Answer] No, those are lies the government tells so it can crack down. We have no weapons, nor do we want to go get killed in the mountains. Our struggle is out of need.

[PROCESO] Is it true what they say, that in a way the government, by not listening to you, is forcing you to take up arms, if only the sticks and machetes you have now?

[Answer] Well, yes. The only weapons we have are the sticks and machetes, and our words. We are not afraid. We prefer to die for the land. Right now we are eating vegetables and *pozol*. We are used to being poor. Not even tortillas, like animals. When there are beans, praise the Lord, but if not, just greens all the time. For that reason, the government had better find a solution to our problem. We are asking for land; they have to give it to us.

The peasants and some peons who remained at Prussia-Chiapas recall that the owner "would send the forestry police after us and would threaten to have us killed. In spite of everything, we did not back down, and we stayed here. Then he would not even allow us to go through; he kept telling us to find another road. But how could we cut the mountain in half?"

Later on, say the peasants, the government "would tell us that since our land is an ecological reserve now, 'cut down a tree and it will never rain again. The water will dry up, that is the reason. And do not light any fires in the mountains, because otherwise the forests will disappear.' Well, we said, okay. We explained it to the people in their dialect. But what would we do to earn a living? How would so many of us poor slobs get enough to eat? Hence the takeover.

"Now let the government buy the land! They gave us the land, but we cannot work it. We no longer have enough to buy shoes, clothing, or food. What we want is for them to compensate us. The takeover was inspired by great need; we have gone through a serious crisis, it is not that we want to take advantage. Since the Biosphere Reserve was declared, the trees that are blown down by the wind have to stay there until they rot into the soil. So we have barely been able to scrape together materials to build our houses, since they will not let us cut down anything. We are dying without a doctor."

The people speaking are wearing hoods, ski masks, and bandannas of all colors. Some have sunglasses. They carry knapsacks on their backs, in which they keep the "papers" of their struggle. They point to the huge pulping machines, dryers, hulling machines, and coffee processing plants that "our exploiters" used to operate. They show the management employees' or overseers' houses, surrounded by colorful bougainvillea and izote plants, and compare them to the wooden barracks that most of them had to survive in.

"The rich say that we are robbing them; that is a lie, because the land belonged to our fathers. It belongs to Chiapas; it is Mexican. What if we went to the United States, would we be able to do the same thing the Germans have? No, you can see that these are falsehoods. Now is when the government should help. We are not going to leave this land until President Salinas or President Zedillo solves the problem. The foreigner even whipped us. Many children died of fright because of the shotgun blasts they would fire at those who tried to get a taste of the fish in the stream.

"Many comrades would come to sell their squashes, and the German would fire on us to keep us out of what was supposedly his property. To this day, the slightest breeze blows down our houses. We are really screwed. We cannot have faces like anybody in the city would.

"The cacique has constantly ruled us. The German would even kill our dogs with his army. The dogs guarded us. Not even to get firewood or to cross his ravine. There were a lot of things, the torture, the beatings. That is why, if they remove us, we will be back. We have come to realize that it is our land. Look how many people there are, and without the tiniest plot of land.

"We can obey the rule about cutting trees, but we want land. That is the big story. We had to put down sand or gravel by the handful to build our own roads, or else we never could have done it, because those Germans are really bad."

They say that they named the organization after Francisco Villa because he fought with Zapata against the slavery of the past, the same slavery "that we are suffering right now."

They report that on other estates that have not been taken over yet, rebels are hanged by their fingers or their feet are burned. "They harass the poor Guatemalan women to the point of bringing them to their knees. These customs, like the *droit du seigneur*, are still practiced. They are still treating us like Cuauhtemoc. I never had cloth pants, I grew up wearing a skirt, but with Indian blood. When we go to the city we suffer a lot when we smell or see the food the rich have, but it is not for us. Now we want it."

The Indian peasants want their movement to be known so that the government will decide to negotiate the purchase of the estates for them. They say that on 21 August they voted for the Party of the Democratic Revolution (PRD) because the PRI does not help them: "We won the governorship for Amado Avendano ... We want a change of life, not to continue following the same path. What we want is to move ahead."

They explain that they are an independent organization that does not belong to any party. They do not deny that

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they were PRI followers. They know about the election fraud, they say. They do not agree with what the PRI government is doing.

They declare: "Our response will depend on how things go. We live in poverty. We do not even have the money to buy little huaraches for our children. They are destroying us."

No military forces have been seen in the area, they report.

The Villists say that they got the idea of seizing land from the EZLN: "The Zapatists are like a mirror; the difference is that we do not have weapons like theirs. But if the Public Security people come, we are willing to confront them. The only people to be taken out of here will be the dead."

Seized Estate's Mixed Population Cited

First Installment

95CA0051A Mexico City LA JORNADA in Spanish 14 Nov 94 p 10

[First of two articles by Alonso Urrutia]

[FBIS Translated Text] La Concordia, Chiapas, 13 Nov—Amid indecisive efforts to achieve a solution to the political-military conflict in this state, the struggle for land is heating up. In contrast to the peasant occupations of rich coffee plantations in the central part of the state, landowners have "recovered" their property in the south and north. The confrontations over the possession of land, which is practically the only source of wealth in this state, have grown worse and are threatening to get out of the government's control.

The recovery of lands in the central part of the state has been spreading. The seizure of the Liquidambar estate was followed, one by one, by those of Prussia, La Chicharra, Sayula, Los Alpes, and many others, covering nearly 10,000 hectares of highly productive land. Most of them have been occupied by the Francisco Villa Popular Peasant Union (UCPFV), which was formed in the heat of the Chiapas conflict.

In all of them, there is a common denominator in the demands of the 12 communities that make up the organization in the municipalities of Jaltenango-La Paz and La Concordia: legal recourses have led to a dead end. All channels for obtaining land grants have been exhausted, and their misery has touched bottom.

Those who currently occupy the Sayula ranch are ejido members who have been the victims of a long succession of injustices. The most recent was the murder of Porfirio Vazquez, who was gunned down by "white guards." The state Attorney General's Office declared that there had been no homicide. The fact is that judicial authorities have never had a presence in this land, and until now, it was the estate owners who imparted justice. All of the ranches in this area have private jails.

The legal argument is also wielded by the landowners, but in reverse: the failure to enforce the law and evict the squatters has prompted them to act, and they have done so violently. Supported by "white guards," they have recovered lands in the municipalities of Playas de Catazaja and Chicomuselo. In the latter area, more than 50 peasants were beaten in the eviction process, and four of them disappeared for several days. These incidents will become more and more common, say cattlemen and estate owners.

In short, parallel to the political-electoral conflict there is a silent struggle for land in a state where 70 percent of the GDP, excluding the production of the parastate enterprises Mexican Petroleum (PEMEX) and the Federal Electricity Commission, comes from the land.

Sayula, Land of Caciques, and Other Stories

Occupied on 25 October, Rancho Sayula is one of the latest coffee plantations to be "recovered," using the definition of those who belong to the UCPFV. Although it is not as important as Liquidambar or Prussia in terms of production, its history has been linked to the power of the Orantes family of caciques in this area for years.

Upon arriving at this estate, one is greeted by a chorus of anonymous voices demanding popular power. The slogans being shouted are heard all over Chiapas, but this time, in addition to Zapata, they invoke another personage more closely associated with the recent local struggle for land: "Roberto lives, the struggle goes on!" Dozens of men, women, and children call out in memory of one of the most recent killings in the region: that of rural teacher Roberto Hernandez, a Party of the Democratic Revolution (PRD) leader who was murdered just under two months ago.

Less than two weeks ago, the occupation of this estate was marked by another murder: Porfirio Vazquez Vazquez was killed by gunmen hired by the owner of the estate, Jesus Orantes. Not a single homicide has been solved by the state Attorney General's Office. The most recent one was even declared "nonexistent" by Attorney General Jose Luis Gomez Santaella.

The fact is that judicial authorities have never had a presence in this land, and for years it was the caciques who imparted justice. Part of the infrastructure of the coffee plantations is a private jail on each one. Anyone who challenges local authorities or makes a mistake on the job is held in this dank, gloomy room.

Homicides, which are frequent occurrences in this area, go unpunished. In many cases, they are linked directly to the local power structure. The Orantes family is known in La Concordia and Jaltenango for the violence with which it has carved out its power and its properties.

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So immense is the power of the Orantes family that Gabriel Orantes came to be known in the region as "Tata Dios" [Father God]. The fact that he was a close friend of Gen. Absalon Castellanos and Javier Coello Trejo, the "Iron Prosecutor," helped Orantes remain at the pinnacle of power in the region until his death.

Behind him he left a long trail of homicides. The Sayula estate, previously owned by Joaquin Gutierrez, was the subject of disputes with the Orantes family. After being pressured on several fronts, Gutierrez left the estate. In his absence, the permanently-resident peons tried to occupy part of the land. Over time, about 30 of them were killed, and rumor has it that the Orantes family caused those deaths just over eight years ago.

The current occupants of the Sayula estate have been the victims of a series of injustices, including homicides, the failure to turn over land, deceit, and poverty. They are peasants of the Libertad del Pajal ejido, and they are demanding enforcement of a decree giving them 294 hectares. Through the bumbling of the agrarian bureaucracy, the land was first offered to them and then turned over to the neighboring ejido, Montecristo.

Some ejido residents and others who worked on the Sayula estate occupied the ranch on 25 October of this year. There are almost 100 of them, and armed with sticks and machetes, they say they are willing to defend this new piece of land that they have acquired in spite of the legal subterfuge.

"The government double-crossed us, and so did the rich ... nothing but lies," says a mature woman whose face is covered by a flannel cloth. All of them have devised means of covering their faces with clothing to preserve their anonymity, or they wear ski masks for protection. "We have been peons of the rich man, and if he sees us, he will have us killed."

They give a long list of people who have been murdered: "The executive committee was killed ... and the government wants peace. How can there be peace if they are the first ones? ... If the government met everyone's needs, there would be no reason for war, but all it brings us is repression."

Later on, they show the resolution that granted them land in 1992, nearly 20 years after they began asking for it. But then it was assigned to the Montecristo ejido. "They double-crossed us, and there was no way we could cooperate with them then," they say.

Now they say this will never happen again. They will keep this land, and the government will have to buy it from them. Legally, there is nothing that can be done. Legal channels for obtaining land and rising out of poverty have been blocked. The only thing left is to take matters into their own hands.

"Never again will we allow the vile rich man to trample on us," declares one of the leaders, who waves a stick that is his weapon. Only a few of the many ejido members have machetes; the rest have fashioned thick branches into weapons.

In response to a direct question, they say that the Zapatist National Liberation Army (EZLN) paved the way for their self-defense, but they claim they have no weapons. The woman asks, "Before, who knew how to defend himself comrades?" They respond in unison something that appears to be an acknowledgement of the EZLN. "But now, the only people to be taken out of here will be the dead," they warn. In the future, they see the people exercising power. "If Robledo or anyone else comes here to this land, the organization will take charge. No one will tell us what to do."

Second Installment

95CA0051B Mexico City LA JORNADA in Spanish 15 Nov 94 p 19

[Second of two articles by Alonso Urrutia]

[FBIS Tranlated Text] La Concordia, Chiapas, 14 Nov—The Prussia coffee plantation is located in a tiny valley in the mountains, and is reached by traveling for four hours on an almost impassable road linking isolated communities that subsist in poverty. Amid all that poverty, its annual production is estimated at $6 million.

All around it, at least 12 communities live from day to day in the most precarious conditions. Organized as the Francisco Villa Popular Peasant Union (UCPFV), they have taken to "recovering" land. Their reasons are diverse, but the case of the El Pajal ejido is unique: Between the extension of the Prussia estate and the declaration of a "biosphere reserve," they have lost nearly 90 percent of their land.

They state their case in clear, simple, and compelling terms: "Between the rich man and the damned government, we are left with nothing." The diversity of the group that has been occupying the Prussia estate for the last few weeks makes it necessary for them to use interpreters to communicate among themselves. There are Chamulas, Tzeltals, Tzotzils ...

All warn that the government has just one option left: to legalize them. They say they are ready for the other alternative, repression. They use a phrase that in other parts of the world has fallen into disuse: conquering the rich. Here, among all the dispossessed who are occupying the estate, the phrase seems current.

This estate, known as Prussia, is owned by Folke von Knoop Kahle. Covering more than 3,000 hectares, it is nestled between the El Triunfo biosphere reserve and the lands of the El Pajal ejido.

In the middle of the mountains, a touch of *modernity* coexists with the *premodernity* of exploitation; to get to the estate one must pass through the Villists' checkpoint, located in the only pass through the mountains. Behind

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it, a messenger from that group rides away on a motor scooter that used to belong to Von Knoop, to clear the visitors' access with the leader of the occupation. After several minutes, the visitors are received by what purports to be a *military parade*, in which women and children make up the vast majority. All carry machetes and chant slogans.

Inside the house (which in this context looks almost like a palace), there are plenty of the amenities of modern urban life; outside, jails and sheds demonstrate how such wealth is attained. On this estate, one of the most modern along with Liquidambar, the exploitation of local and Guatemalan Indians is the norm.

An old portrait of Turst Bismarck, a legendary German figure, witnesses the revelations: "In La Concordia, government aid is distributed between the cacique and the landowners, who murder the peasants." Their presentation is disjointed, but it paints an overall picture of the ejido members' plight.

Diverse voices chime in to make up a chorus of protests against their situation: Some Tzeltal workers tell stories about their work on the estate; others describe their arrival at the estate after the land grants of 1976.

Their situation reached a crisis in 1992, when it was decreed that 90 percent of their land, which at that time covered 967 hectares, was to be the "El Triunfo biosphere reserve." The immediate effect was that they could plant absolutely nothing in that area.

"We want them to tell us why we cannot plant there. All they told us was, 'Do not cut another tree, do not plant in that forest, do not burn brush (...).' Okay, we said, but where are we going to plant corn? What land will we work? We respected it, but afterwards we started thinking that we are doomed. What are we going to do to avoid being doomed?"

Agrarian Affairs officials acknowledge that often the decision to establish ecological reserves has been made without visiting the area or listening to arguments. In practice, notice is simply sent out without presenting any alternative.

The Villists expound further on the occupation of the Prussia estate: "They told us they were going to help us, and it is all lies. That is why we seized the estate, but it was because we were hungry. To this date we have not even tasted the aid the president promised. This is the great crisis we have suffered; we do not have our faces; the cacique has ruled us and now we do not want him to recognize us."

The Union of Coffee Growers has estimated overall production in the region at 250,000 quintals, valued at $50 million. This includes both ejido and estate production.

Initial talks with the owner of the estate yielded an agreement on a possible sale, but the price is virtually unattainable: 30,000 new pesos per hectare, or a total of 90 billion new pesos. Given their determination not to leave and the sales price, it will be difficult to remove them.

Seized Estate's Work Conditions Noted

German Owners Criticized

95CA0053A Mexico City LA JORNADA in Spanish 4 Nov 94 p 18

[Article by Jose Gil Olmos and Elio Henriquez]

[FBIS Translated Text] Liquidambar, Jaltenango, Chiapas, 4 November—Two people murdered, repression with tear gas, 30 wounded, threats of eviction by the state government and "white guards," and an atmosphere of tension and fear have enveloped six peasant communities of the Fraylesca Mountains. Three months ago they staged one of the most widely publicized takeovers, that of the Liquidambar estate.

The Francisco Villa Popular Peasant Union (UCPFV) thus far has recovered 12,000 hectares, having seized the Liquidambar and Prussia estates and the Chicharras and Sayula ranches since the organization was formed last June.

Now, at least 1,000 peasant families of Jaltenango—currently the municipality of Angel Albino Corzo—are working the land, which used to be owned by Hermann Chimpf Wedekind and Jesus Orantes. They are expecting a harvest of thousands of tons of organic coffee, which fetches a handsome price on the European market.

"We are willing to die for something fair; we have legal documents that state that these lands have been ours for 75 years. We are not going to give in, even though they have abandoned us. Land we wanted and land we have. We are going to work it," says a young representative of the UCPFV, his face covered with a ski mask out of fear that he will be murdered by the "white guards" in the pay of the estate owners. In recent weeks, the owners have been meeting in the municipality main town of Jaltenango "to recover their land."

In the past three months, since the Liquidambar estate was seized on 4 August, Prussia a month later and the Sayula and Chicharras ranches on 25 October, the communities of Nueva Palestina, Francisco I. Madero, Libertad el Pajal, Salvador Urbina, Piedra Blanca, El Palmar, and 20 de Noviembre have received constant threats, resulting in the deaths of two of their members.

In the first days of September, on the highway linking the municipality of Angel Albino Corzo and the capital of Chiapas, Roberto Hernandez Paniagua, a teacher and member of the local chapter of the Party of the Democratic Revolution (PRD), was ambushed and gunned down as he traveled on his bicycle. Protest marches and

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demonstrations were staged, and the state government pledged to arrest the culprits.

At that time, they were accused of being part of an armed guerrilla group because peasants were seen wearing masks and carrying shotguns like those usually used by mountain dwellers. The state government sent a couple hundred public security troops.

On 10 October at 2200 hours, the UCPFV complained that "bombs" were thrown at the home of Gilberto Hernandez Gutierrez, "on the assumption that he was there." On that occasion Municipal President Alfonso Ramirez Ramos was accused of "protecting the caciques and landholders," who had already begun their meetings.

Around 28 October, Porfirio Vazquez Vazquez, a peasant from the Francisco I. Madero ejido, was also shot to death on the Sayula ranch. The UCPFV says the killing was ordered by "landholder Jesus Orantes Balbuena, owner of the ranch." Public Ministry officials refused to pick up the body and no preliminary investigation could be opened.

On 30 October at 1130 hours, a demonstration held in Jaltenango to protest Porfirio Vazquez's death was put down with tear gas and beatings by public security forces. The result was 30 injured and dozens hurt, most of them women and children.

On that occasion, the UCPFV claimed that "the ex-owner of the Liquidambar estate, Lawrenz Hudler (Hermann Chimpf Wedekind's son-in-law) gave the order to the commander of public security to begin beating our comrades."

The new state attorney general, Jose Luis Gomez Santaella, maintained that "there was no body," and that the coffin was empty. For this reason, he said, "officially" there had been no murder. Nevertheless, nine members of the UCPFV were arrested by the state judicial police, to be released several days later when it was determined that they had not tried to take over the office of the municipal president.

"We do not want war; we want peace, but with dignity, a peace in which our children have schools, hospitals, and houses. A peace in which foreigners are not given preference, with a government that does not just pay attention to the rich," says a young peasant with a black ski mask, who offers to give a tour of the house in which the "Germans" lived.

The facilities at the Liquidambar estate have not stopped operating since it was seized. Some 500 families are working on the organic coffee plantation, pruning the trees. They have formed work committees, under which half the families work one week and the other half the following week.

By the end of this month, the harvest will begin, and they are looking for marketing channels. This was what they asked the state government for in a memorandum last 6 August, but so far they have not received a response.

"We are going to continue working," says another peasant wearing a bandanna on his face. "We will not slack off. The government has left us on our own and the estate owners want to recover the land that has already been cultivated, but we will not let it go."

"We want to live with justice, to live with dignity, not like before, when they paid us with 'job tokens' for picking 50 cubic meters. Every day at 0200 hours we had to get a food token. We had to get up early, because otherwise we would not eat. They gave us some beans, eight tortillas, and a cup of coffee, that was all. We started work at 0500 hours, and if we finished the work, they paid us 8 pesos; if not, we had to do without," joins in another peasant, his face uncovered.

Another, younger man recalls that as recently as the beginning of this year, the overseer would supervise the work of the children, who were paid with a half-value token that they would then exchange at the estate store.

"They called us *patojos* [kids], and if the overseer saw that we were not working, he would hit us. He was like a father, always watching us."

They proudly give the reporters and photographers round, octagonal, square, and rectangular numbered tokens. On one side the word *tarea* [one job] is stamped, and on the other side is the name of the company, "MOHR y Chimpf, Liquidambar."

As he picks up a token, another peasant says, "They treated us like animals, or sometimes worse, because they gave their dogs 6 kilos of meat, while they gave us just beans, tortillas, and coffee. If any of us got sick, they would bring in a doctor from Jaltenango to treat us, and then they would deduct it from our tokens. When the German came, he would not even talk to us. They flew in on a plane and were picked up in beautiful vehicles with tinted glass. If it was muddy, they would splash us as they drove by, and then they would laugh. They would do the same when they would come and watch us filling the bags. No, they never spoke to us, they said they only spoke to people who were their equals. They thought they were *king of kings*."

The UCPFV people now are without fear. They claim that they have joined in the acts of civil resistance, and they are waiting hopefully for the arrival of a transition government headed by Amado Avendano Figueroa.

"The people do not like Robledo; we think he would pull the same kind of dirty tricks as the rich people. Amado Avendano is a source of hope, but not the final solution, because the agrarian problems, which are the worst ones, cannot be solved overnight. There are more needs; what we want is to live with dignity, and that will take a long time," acknowledges one of the young peasants as his

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comrades return from the coffee plantation, which they will never leave, because it became their parents' property 75 years ago.

Photo Caption

1. p. 18: Peasants of the Fraylesca Mountains, who took over the Liquidambar estate, show the copper tokens with which they were paid for their work.

Local Links Indicated

95CA0053B Mexico City PROCESO in Spanish No 932, 12 Sep 94 pp 32-37

[Article by Julio Cesar Lopez]

[FBIS Translated Text] Tuxtla Gutierrez, Chiapas—Political assassinations attributed to caciques, seizures of land and radio stations, blockades of highways, and the installation of the Office of the Attorney for Electoral Matters for the Chiapan People, which will become an Electoral Tribunal and punish those responsible for the "fraud"—these are some of the factors that have been contributing to the ungovernability of the state of Chiapas and the danger of renewed armed violence here since the 21 August elections.

Days before the recent assassinations of three persons, the Zapatist National Liberation Army (EZLN) had warned that the federal and state governments were launching the typical "lie campaigns" that precede wars, according to Deputy Commander Marcos.

On 3 September, the Indian army expressed its gratitude to Eduardo Robledo Rincon for "resigning" from the governorship that he had supposedly won in the elections, saying that this would prevent a new bloodbath. It complained:

"The supreme government does not want democracy; it just wants a pretend democracy. It does not want freedom; it wants the appearance of freedom. It does not want justice; it wants to lie about the conditions of poverty and deprivation. It does not want peace; it wants to find an argument for war. War is coming; after the lies, it will come."

And amid the many acts of civil resistance, including numerous highway blockades and several radio station seizures, the post-electoral violence in Chiapas began claiming victims:

On 6 September, the president of the Municipal Committee of the Party of the Democratic Revolution (PRD) in Angel Albino Corzo, teacher Roberto Hernandez Paniagua, was killed in an ambush. He was sprayed several times with a shotgun as he rode his bicycle to the school where he worked.

Known as "a tireless social fighter," Roberto Hernandez, who was also a member of the PRD State Political Commission, had obtained a victory for his party in the elections in the communities to which he was assigned.

Although state officials indicate that the three murders, including that of Roberto Hernandez, were due to "personal problems," the general secretary of the PRD in the state, Gilberto Gomez Maza, stated that this was "an action carried out by the caciques and sponsored by the government, and one which puts peace at risk." Several party leaders allege that Roberto Hernandez received death threats on many occasions from the caciques in the region.

The massive peasant protests in the region culminated in a burial ceremony at which the leader was given a hero's honors: His coffin was draped with the national flag. Hundreds of mourners, some of them crying, shouted passionately, "Government, traitor, you killed a teacher!" and "Teacher, comrade, your death will be avenged!"

While one of the speakers stated that "this is the peace and democracy the government has to offer us," a teacher commented to a reporter, "The caciques are mad because they lost the election, but we will make them acknowledge our triumph, with weapons if need be. Blood is paid with blood."

Two days after that murder, two new victims were taken. In the context of civil resistance, in the municipality of Salto del Agua, Lauro Dominguez and Ernesto Cruz Torres were killed in the wake of the agrarian problems arising from the seizure of the El Canutillo ranch, owned by Eulalio Hernandez Gutierrez.

Antonio and Miguel Parcero, members of the Coordinating Committee of the Mayan People's Liberation Struggle (Colpumali), were injured in the attack, reported Margarito Cruz Hernandez, leader of the Independent Front of Indian Peoples (FIPI).

Although the conflict stems from a long history of confrontations over land, it reached a boiling point on 28 August, when the Electoral College of Chiapas hastily granted a certificate of election to Institutional Revolutionary Party (PRI) gubernatorial candidate Eduardo Robledo Rincon by unanimous vote.

It was then that the Democratic State Assembly of the Chiapan People (AEDPCH) issued a call for civil resistance "against electoral fraud and in defense of the popular will as expressed at the ballot box." According to the AEDPCH, Amado Avendano Figueroa actually won the election.

Seizures of land and radio stations were organized, along with highway blockades, marches, and demonstrations to "prevent an illegitimate governor" from taking office on 8 December.

On 4 September, the 180 organizations that belong to the AEDPCH staged various acts of civil resistance in different parts of Chiapas, including 19 highway blockades that cut off the main cities in the state and prevented traffic to and from Guatemala.

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In San Cristobal, more than 3,000 people marched through the main avenues and seized radio stations XEWM and XERA, the latter owned by the state government. Throughout the day, they held a cultural marathon "for democracy" in Cathedral Plaza.

In Comitan, more than 400 Indians and peasants took to the streets and seized radio station XEIMT, which is privately owned.

In Las Margaritas, the takeover of radio station XEVFS, which belongs to the National Indian Institute (INI), was thwarted because, anticipating the action, it stopped broadcasting and called in the Army to guard the offices a day earlier.

Nevertheless, the seized radio stations did broadcast, in Spanish and in Indian languages, a manifesto by Amado Avendano explaining the civil resistance actions and a communique from the Zapatist Army accusing the government of backing a military solution to the conflict.

On 5 September, more than 1,000 Tzotzil Indians from Venustiano Carranza blockaded the highway from Comitan to Tuxtla Gutierrez, demanding respect for "the land takeovers." They also said they wanted to "pressure" PRI candidate Eduardo Robledo Rincon into declining the governorship, "which he obtained through electoral fraud."

One day after Roberto Hernandez was murdered, several peasant groups, far from being intimidated, occupied nine properties in various parts of the state "as part of the civil resistance" and as "a recovery of the legacy that belongs to us."

Members of the State Council of Indian and Peasant Organizations (CEOIC) invaded the La Orquidea and La Cauca ranches in the municipality of Villa Comaltitlan, the Nonza estate in Cacahoatan, and the properties of La Herradura, Santa Fe, San Jose Morelia, El Triangulo, La Batinica, and El Silencio in the municipality of Suchiate, all of them located on the coast, the most productive region in Chiapas.

And in response to eviction threats from the government and the ranchers—who are calling for Army intervention—the peasants claim that the land belongs to them and they will not abandon it, "even at the price of death."

The only alternative they see for curbing the civil disobedience, which might include a general refusal to pay taxes, is for Eduardo Robledo Rincon to resign as governor.

"On that, and on the recognition of Amado Avendano's legal victory, we will be inflexible. There will be no bargaining, because despite the traps laid by the PRI, we won," says Arturo Luna, spokesman for the AEDPCH.

To "prove the magnitude of the electoral fraud," the civil organizations this Sunday will install the Office of the Attorney for Electoral Matters for the Chiapan People. And on Wednesday 14 September, the anniversary of Mexico's annexation of Chiapas, they will create the Electoral Tribunal, which will sentence and punish those who are to blame for the electoral fraud.

Liquidambar

A month before the ambush and assassination of Roberto Hernandez, on 4 August, the Chiapan peasant movement—encouraged by the PRD leader, according to the caciques—took possession of the fabulous estate Liquidambar.

Nestled in the Sierra Madre mountains, the coffee plantation has not only all kinds of amenities, but spacious gardens, a swimming pool, a gymnasium, a billiard table, and a hot tub on the terrace.

In contrast, there are unhealthy barracks for the seasonal workers and estate stores, but, of course, with their own scrip.

"Owned" by the German Laurenz Hudler, Liquidambar is one of the largest and most productive estates in the state. It has 1,910 hectares devoted primarily to growing coffee.

But since last 4 August, it has "belonged" to the Francisco Villa Popular Peasant Union (UCPFV).

The peasants, accused by the government of being armed, have their faces covered with ski masks and carry machetes and sticks when they show reporters "the abyss that separates the boss from the more than 250 permanently-resident peons who work these lands."

Juan Gomez Hernandez, a 30-year-old farmer and leader of the UCPFV, states that more than 25 years ago, they asked for this "disguised latifundio" [great estate]. He says that "in view of the government's stonewalling, we felt it was necessary to enforce our rights by taking what belongs to us."

His face covered with a black ski mask, he denies in the presence of his comrades that the Union, "born on 4 August," is associated with any guerrilla group.

"The state government never paid any attention to our demands, and the caciques, with ties to those in power and to drug traffickers, were murdering our comrades with impunity."

As for the use of ski masks, he reveals, "We know that the caciques' gunmen can kill us, and that is why we keep our identity secret. They have killed dozens of comrades just because they sought land through legal channels. They will not forgive us for seizing this estate."

The popular movement in the region was practically suffocated, "because the Orantes Balbuena family, protected by the Germans," killed any peasant who showed a "social conscience."

The latest murder "committed by the caciques," he says, was that of Roberto Hernandez Paniagua, killed on 6

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September. "They think that we peasants are incapable of making decisions, and they thought he was the mastermind of the movement."

The peasant leader gives PROCESO a list of "the murders committed by the Orantes Balbuena and Orantes Coutino families": Francisco Ramirez Garcia, 30 August 1972; Luis Gonzalez Martinez, Fermin Ruiz Perez, and Antonio Ruiz Perez, in 1973; Javier Perez Guillen, Feliciano Abarca Ramirez, Santiago Torres Montoya, and Carlos Trujillo, in 1976; Ramiro Morales, Octavio Ramirez Guillen, and Alfonso Montoya Guillen, in 1980; Manuel Ramirez Constantino, in 1984; and Samuel Hernandez Escalante and Alfonso "El Guatemala," in 1986.

The document titled "History Never Known: 53 Years of Repression, Coercion, Terror, and Murder by the Orantes Balbuena and Orantes Coutino Families" tells how Gabriel Orantes Alegria, head of the two Orantes families, grew from a young bootlegger to one of the richest and most feared caciques in the region. "The top cacique" disappeared four years ago.

A brother of his, Carmen Orantes, is blamed for 27 murders over the last 20 years, committed in the context of the agrarian struggles in Venustiano Carranza.

"The Land Is Ours"

The interview with the UCPFV leader comes after about 250 peasants, both men and women, have staged a political protest against Roberto Hernandez Paniagua's murder.

Upon their return from the burial of their "comrade," carrying the national flag before them and raising their machetes and sticks, the peasants shout slogans that show how politicized the area is: "*Maestro, caiste, pero nunca te vendiste*" [teacher, you fell, but you never sold out]; "*Maestro Cabanas*—referring to Lucio—*el pueblo ya te extrana*" [teacher Cabanas, the people miss you now]; "*Ni con tanques ni metrallas, el pueblo no se calla*" [neither tanks nor shrapnel can silence the people]; "*De la costa a la sierra, la lucha es por la tierra*" [from the coast to the mountains, the struggle is for land]. ... They remain silent for a minute, and then they sing the national anthem in memory of the PRD leader.

Juan Gomez Hernandez: "The government did not pay any attention to us. For more than 25 years, we have been asking for the expansion of the ejido. In 1984, when Gen. Absalon Castellanos was governor, they gave us a paper granting us 1,400 hectares, but we never saw the land, and that is why we organized to enforce our rights."

On the table in the estate are photographs of Patrocinio Gonzalez Garrido, ex-governor of Chiapas and ex-secretary of the interior, along with the family "of Germans." Then there are some "pornographic videos" that, according to the peasants, show the family "nude next to the swimming pool, making love with the girls from the ejido; they were a bunch of degenerates."

Gomez Hernandez goes on: "We seized the estate on 4 August, and despite the threats, we will not leave here. We are willing to shed our blood for this land, which witnessed our birth. It is not possible that foreigners could have more rights than us, who are poor Mexicans."

When he displays the maps of the estate, he explains, "Our struggle is democratic. We do not belong to any armed group. The Union was born out of the need to recover our lands and to obtain better guaranteed prices and better services."

The map, signed by Miguel Angel Limongl, engineer, shows the boundaries and divisions of the "parcels that make up the old hacienda Liquidambar":

The parcels known as Santo Domingo (126 hectares) and El Corchal (168) are shown as belonging to Conrado Heinz, the former manager of the estate.

La Cruz (208) is registered in the name of Margarita Schimpf B. Another parcel by the same name, measuring 74 hectares, belongs to Hernando Diaz Arauzo, and another, 272 hectares, to German Schimpf D.

The one specifically called Liquidambar appears in the name of German Schimpf also. It measures 109 hectares, while another parcel measuring 215 hectares and bearing the same name is registered as the property of Gertrude B. de Schimpf.

El Ixtapil (84 hectares) is also under the name of Gertrude, and Alemania (135) and Selva Negra Alta (79) are registered under the name of Marianne Erika Schimpf.

An additional 92 hectares of Alemania and 123 of Selva Negra Alta are under the name of Gilberto Alfonso Guillen.

Selva Negra Baja (168) belongs to Herman Schimpf Wedekind, according to the map; and finally, another parcel bearing the same name and measuring 56 hectares belongs to Alonso Perez Huet, who used to be the foreman of the estate.

And although President Lazaro Cardenas recognized this property as a company, Mohr and Schimpf, on 8 October 1937, the peasants argue that in fact it belongs to a single owner, the late Laurenz Hudler. They feel that it is a "disguised latifundio."

The women, with infants in arms, tell the reporter, "We do not want any other land. We do not want half of the estate. We want all of it, because we have as many as 14 children and it is not right for them to suffer while the Germans live the fine life at the cost of our labor and our blood."

Pedro Hernandez Perez, another leader, declares, "Our demands are not negotiable. Our decision to be the owners of the land and to build a cooperative on it is irreversible."

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He believes that the war that began in Chiapas on 1 January "favors the peasants because the cacique does not know what he faces with these unprecedented movements, and if he wants to fight, he will have to fight people who have now lost all fear."

Next to the swimming pool, Hernandez Perez claims to have been a permanently-resident peon and to have received as payment for his work the estate's scrip, which is worthless elsewhere. He emphasizes, "This region is the most violent one, and the cacique system here is responsible for more deaths than those in the rest of the state."

Regarding the alleged existence of armed groups in the mountains, he says, "We are a democratic organization. We cannot assert or deny anything, but we think that the armed process does not emerge overnight. Make no mistake, we do not belong to any guerrilla group, but whether there is war or peace in this state depends entirely on the government."

Government's Position

On Thursday 8 September the La Montana estate was seized in the municipality of Villa Comaltitlan. Meanwhile, the state Attorney General's Office was beginning preliminary investigations into other land seizures, and Governor Javier Lopez Moreno admitted that "there is a serious risk of social upheaval" in the state.

He indicated that the assassination of Roberto Hernandez and the land seizures would not be an obstacle to the pacification of the state. Peace Commissioner Jorge Madrazo Cuellar, meanwhile, urged the state government and the mobilized groups of civil society to seek "a political formula" to clear up the accusations of irregularities in the electoral process.

In fact, on Wednesday 7 September, Governor Lopez Moreno held a meeting with former PRD presidential candidate Cuauhtemoc Cardenas in Mexico City. Upon his return to Chiapas, Lopez Moreno stated that he had not asked Cuauhtemoc to intervene "to immobilize the state," and added: "I merely told him that there is a serious risk of social upheaval. He listened to me attentively, but he also presented arguments, some of them very well known by now, regarding irregularities that he believes occurred in the elections as a whole."

With regard to the most recent land takeovers, he warned that he will act with a cool head and a firm hand. "...There will not be any indulgence or tolerance of violations of the legal order."

And while Bishop Samuel Ruiz indicated that the irregularities of the elections should be cleaned up, Commissioner for Peace Jorge Madrazo pointed out that the peace talks will continue, and that it is imperative that neither the people protesting alleged irregularities in the balloting nor the state government "engage in acts of violence."

[Box, pp 34-35]

Jorge Banuelos: 'The Government Is Still Deaf, Dumb, and Blind Toward the Chiapans, Who Organized Exemplary Balloting in the Insurgency Zone'

[Article by Salvador Corro and Guillermo Correa]

Alarmed by the federal government's "insulting disdain" toward Chiapas, Juan Banuelos, member of the presidium of the National Democratic Convention (CND), appeals for redoubled efforts to prevent a civil war in this state.

And eight months after the guerrilla movement emerged in the southeast, the Chiapan intellectual asks: Why has President Carlos Salinas de Gortari not returned to Chiapas? Where is Agriculture Secretary Carlos Hank Gonzalez? What is Victor Cervera Pacheco of Agrarian Reform doing? Why is Health Secretary Jesus Kumate doing nothing to solve the endemic problems and the killer diseases in the state?

The poet and writer, who has been awarded the Chiapas Prize, answers his own questions: "No one is doing anything. It is as if they were saying, 'We will leave this time bomb for the next president and for whoever is to be governor.'"

He argues, "The current government is still deaf, dumb, and blind toward the Indians' demand that they not be humiliated any longer." He accuses the judicial police of sometimes serving as white guards for cattlemen, and at other times acting as police against the social protest movements.

He also warns that "they should do whatever it takes to make sure no more blood is added to the flow, considering that Chiapans will not accept another interim governor. In any case, the elections must be repeated."

Based on his experience as a member of the group (which included actress Ofelia Medina) that was responsible for organizing elections in the conflict zone, he says that civil society was capable of carrying out the process. This first experience "should be reproduced throughout the country, since it was proven that it is possible and appropriate for electoral processes to be carried out without government control so that the results will be irrefutable from all points of view."

Having taken a stance in favor of the Indians who rose up in arms on 1 January, Juan Banuelos is one of six Chiapan intellectuals who were asked by Governor-elect Eduardo Robledo Rincon in an open appeal on 1 September to contribute "their talent and recognized moral authority" to help "protect the civic efforts of Chiapans from attempts to discredit them."

The other Chiapas Prize winners to whom the communique was addressed were: Eraclio Zepeda, Elba Macias, and Oscar Oliva, as members of the CND; and Carlos Olmos and Carlos Jurado, who also belong to the CND.

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In their joint response, the intellectuals refused to portray themselves as a "group of notables" turned into a "tribunal." They stated that the worst obstacle to democracy in Mexico is "the pernicious ruling party." They stressed that throughout the country, under the present conditions, "fraud has been a permanent, structural feature." And they asked that the impurities and irregularities of the recent elections be cleaned up, "no matter who wins."

In interviews with PROCESO, Juan Banuelos stated that regardless of the post-electoral period, socially, Chiapas is still in the same situation it was on 31 December 1993.

"Who has done anything?" he insists. "It would be unjust, and I would be acting in bad faith if I denied that current Governor Javier Lopez Moreno is the only one who has shown any interest in solving the problems, but it is obvious that he cannot do it on his own." He goes on to note that the governor has acknowledged that he was unable to exert as much influence as he wanted to bring about a new political attitude on the part of all his associates.

"I think it is true, above all with regard to the judicial police. Ofelia and I filed a complaint that the 75 people who came from the northern and central parts of the country to help in the electoral process and were present in the area as part of civil society were all photographed. The police agreed to return the roll of film, but they did not do so. That is unconstitutional, and it was also an assault. The people, the doctors, the observers, they saw it as an offense."

But aside from that, Banuelos alleges that, despite the armed uprising of the Indians, their communities, thanks to the government's indifference, "are little Rwandas in this country. For example, there are cases of Matusaien's syndrome, in which children age prematurely because of hunger and malnutrition.

"They want to be given food, they want hospitals. Because there is one in Guadalupe Tepeyac, but it is a phantom. It is a monster of a hospital where there is X-ray equipment, operating equipment, but it is all still in sealed packages. Who will go in there? People have to walk a day or two, or ride on horseback to get to an appointment, and when they get there there are no doctors.

"They do the arithmetic, and it turns out that it is cheaper to build a coffin than to rent a horse to go to the hospital. There is a place called La Realidad [reality]. It is not where they did "Aguascalientes," but about 30 kilometers further. It takes at least six hours on horseback. More than 50 percent of the population there has tuberculosis.

"They told me that a 28-year-old woman had her ninth baby and was hemorrhaging. They had to bring her on horseback to this huge hospital, where a doctor appears only on Thursdays. There were other patients there. But this person, besides hemorrhaging, had a kidney infection, and 70 percent of her lungs were affected by tuberculosis. In addition, she was so malnourished that she was going blind.

"The children of La Realidad," he says, visibly upset and angry, "are suffering from that disease called trachoma, which is also blinding them. There are cases of retarded growth, which is called marasmus, when they stop growing and begin to age. These are the illnesses of poverty."

Since the armed conflict broke out, the poet has spoken about this situation. Far from being resolved, as was to be expected, it has worsened, he argues. The factors that caused the Indians to rebel are still present:

About 30.12 percent of the population, estimated at nearly 3 million, are illiterate, 62.08 percent never finished primary school, 66.56 percent live in rural areas, 42.66 percent do not have drainage, 34.92 percent do not have electricity, even though this state supplies most of the country's electricity, 42.09 percent do not have piped water, 74.07 percent live in overcrowded housing, and 50.90 percent have dirt floors, among other factors.

Juan Banuelos wrote: "On 1 January there was an armed uprising not by just another guerrilla group in Mexico or in Latin America, but by armed suffering through the Zapatist National Liberation Army (EZLN), after 500 years of subjugation, exploitation, and deprivation of the Indians. It was that armed suffering that abandoned them in the bones of a reality without hope, and with death as their only garment."

He says that most of the Zapatists are young guys 15 to 18 years old who are reluctant to talk. "When we asked if they could sell us some food, the only thing they had was beans; at noon, eggs, and at night, bread with a little coffee. Once I asked them to put a little tomatoes and onions in my eggs, and there was none of that. It is serious. All they eat are bananas and wild fruit. When they saw that there were quite a few of us, they slaughtered a pig. It was like a holiday for the children to go around with a little piece of cracklings."

He recalls that everyone who was there for the first time was very disturbed. "It still seems that we have come back from another planet. That is what should be reported on the television and the radio. How is it possible that the Revolution has not come here, even on an airplane? If it has a presence, it is only lip service. Chiapas is a little Rwanda. The roads are impassable."

What has happened, the writer asks once again. And he says that "since the last armed uprising, which was in 1914, what the federal government did was to say, 'Chiapas is very far away. Tell you what, distribute a little land, and you keep governing there.' And that is what has happened until 1 January 1994: The great

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Chiapan family, the notables, are the ones who have divided up the pie, along with the government officials who have come along."

In Juan Banuelos's opinion, what is needed are peace negotiations in which there is no lying, and viable and concrete programs in the economic, social, political, and social spheres that will serve as a model for the rest of the country and, if possible, for the world. It is necessary to study the balance of power and to establish a transition program, because, he warns, at least 50 percent of Chiapans do not agree, and they are the ones who at a given moment could take up arms.

"This should be taken into consideration; I do not know where the great analysts of our government are."

He also emphasizes that the cattlemen and estate owners should be controlled and forced to enter into negotiations, because they also have rights. Thus, the dialogue should be far-reaching. "We are not saying, 'The Indians and peasants are always right,' no; others also have their rights, although, in my view, they should not have them. But they should not be arming the white guards for a confrontation. That is what the local and federal governments should stop as soon as possible, and they should commit themselves fully to peace talks. Moreover, if they refuse to understand, there should be expropriation."

He goes on to advocate that there be a division of powers as soon as possible, and that the three previous governors, Absalon Castellanos, Patrocinio Gonzalez, and Elmar Seltzer, be called to account. "That," he says, "is the opinion of the people that I gathered."

[PROCESO] But that is the last thing they want. Even Governor-elect Eduardo Robledo Rincon refuses to talk about the past.

[Banuelos] No, no. The past has to be put on the table. And they should also restructure the education system from top to bottom. That is what we writers have been asking for all along, that education be in Spanish as well as the ethnic languages.

Because, he explains, they talk about *no school, no medicine, and no justice.* "We did not understand, and about three months ago we went to see Dr. Pablo Gonzalez Casanova to meet with some Indian wisemen in San Cristobal de las Casas. They explained:

"'No school,' they said, 'because they send us people who are not bilingual. It is a dialogue of the deaf between the children and us. When the teachers are bilingual, they only show up two or three times every two weeks. In the end they add everything up and they say a certain number of children have learned to read, and it is not true.' Some of them are responsible and teach through the first or second year. By the third grade, they have to go to San Cristobal de las Casas, from the rural areas to the city, and then begins the discrimination. That is one of the key points: discrimination and racism, which are fierce in Chiapas, especially among 'authentic Chiapans.'

"So there must be a very comprehensive reform, because by the third grade, when the children go to San Cristobal de las Casas, they say, 'We do not want to go, they treat us very badly, they kick us out, they do not allow us to sit at the desks, they put us on the floor.' At the end of the 20th century, to see such things ... That is 'no school'; they do not learn, there is no education.

"'No medicine': An Indian man comes in with his wife. She does not speak Spanish, he translates for her. She says that her appendix hurts and that the pain travels here and she cannot stand it. 'Oh, well, you will have to take her in for X-rays. Come back when you have had them done.' They come back. They have to spend money again to come on foot or on public transit. They go to the hospital, and if it is June, they are told to come back in August—just like in the city, but there it is much more serious. In August? Yes, in August. Before, the doctors were giving them some pills, supposedly for the pain. In 20 days, the woman dies. The Indian comes back and protests: 'You gave me this medicine.' And they see that what she had was not appendicitis, no, nothing of the sort, but that the tube to her liver was full of amoebas. That is 'no medicine.' They do not want it.

"'No justice.' Well, they are demanding land, production, bank loans, and things like that—never, nothing. A person who was there told us that it is now the grandchildren who are still fighting for little plots of land. And then there is the question of the Chamulas who were expelled. That is why the burning of the office of the municipal president and some files in San Cristobal was symbolic. They did not burn anything historical, just all the lies, the deals in which land was given not to its legitimate owners, but to others. That also occurred in Ocosingo."

So, what should be done? The next government, in the view of the CND member and writer, will have a difficult job, no matter who wins. Why? Because it will be monitored by civil society. "It will not be easy to govern Chiapas, and the central government will have to keep its hands off, until we solve the problem in accordance with what we know and what we have witnessed since we were children."

And after pointing out that in the electoral sphere, the demand is not for Robledo Rincon to resign as governor-elect, which is not legally possible, but for the elections to be cleaned up. He says of his recent electoral experience with civil society:

"It is paradoxical that in the violent zone the most scrupulous and peaceful elections in the entire country have been held, and it is sad that just to open the doors of democracy a little bit, those people had to go to the brink of deprivation and starvation, and to armed uprising."

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The peace that is demanded in Chiapas, and that is now "bogged down," will have to be a true peace now, he says, because people are saying: "If we are going to starve to death, we will do it by sticking it to the evil government and screwing it good." And he observes: "The poor people do not know that the modern Army can do away with them in a trice."

[Box, p 36]

Gerardo Pensamiento, Defeated PRI Candidate: 'Marcos Was PRI's Best Ally in Chiapas'

[Article by Guillermo Correa and Salvador Corro]

Tuxtla Gutierrez—Gerardo Pensamiento, who was president of the PRI in Chiapas until last June, is the first victim of the voters' backlash against the ruling party. He lost his federal deputy seat "in a somewhat historic election" in the 5th District, the headquarters of which is in Tapachula, his home town.

He says, "Patrocinio's shadow fell on us (referring to the former governor and interior minister who was removed from office as a consequence of the Zapatist uprising), but there were a lot of other factors that contributed to the PRI's loss, such as internecine fighting and the very difficult economic situation, which has caused a great deal of discomfort. The vote to reject us arose out of that discontent."

In that district, which was won by the Party of the Democratic Revolution (PRD), "Zedillo, Sami David, and Robledo also lost."

Nevertheless, he believes that Deputy Commander Marcos helped the PRI win the state, because "people do not want violence, they do not want war; they desire only tranquility and security, since there is fear of change, you know? But we must come to realize that we are now in a new country, and that this was a very important vote in favor of democracy."

Furthermore, he contended that Marcos was the PRI's best ally. "Yes, he helped a great deal. He created a climate of unease, of mistrust, of fear. People were fearful before the elections, and many of them, those who could, stocked up on provisions or left the state, because there were strong rumors of an uprising. The belief that there would be war or shooting generated a reaction in favor of the PRI."

Gerardo Pensamiento was one of the harshest critics of the administration of Patrocinio Gonzalez Garrido, and it led to his banishment from the state. As a national leader of Democracy 2000, he repudiated and excoriated the interim appointments in the state government. He was also an enthusiastic promoter of the creation of the 33d state, Soconusco, although in recent weeks he became firmly convinced that that region should be integrated into the rest of the state.

Proud of his friendship with Samuel Ruiz, bishop of San Cristobal de las Casas, the former PRI leader tried to make overtures as well to Amado Avendano, former gubernatorial candidate of Civil Society and the PRD.

His latest attempt failed, however, when on Monday the 29th he was prevented from entering the house where Amado is recuperating. Concepcion Villafuerte, the Chiapan journalist's wife, practically ran him out of the place.

Chiapas Xi' Nich Approach Explained

95CA0057A Mexico City LA JORNADA in Spanish 28, 29 Nov 94

[Part one of two-part article by special correspondent Matilde Perez, special correspondent]

[28 Nov pp 60, 17]

[FBIS Translated Text] Palenque, Chiapas—Caught between anxiety and political and economic pressures from the federal and state governments—because they are in the area of the Maya Route tourism project—the challenge facing the Xi' Nich [Chol Indian expression: "The Ant"] Coordinating Board of Indian Organizations is to maintain unity among the over 60 communities that are members of this coordinating board.

In these communities, confronting the fascinating lure of the EZLN [Zapatist National Liberation Army], the coordinators are working to persuade the people to continue their struggle through political and peaceful means, as they have done for the past eight years, while outside they have to deal with the government's insensitivity about resolving agrarian and service demands quickly.

"At regional meetings we have reiterated that our demand is for respect for our traditions, customs, and ways of thinking, and that we are not *mountain people* (members of the EZLN) as the ranchers are saying," commented Efrain Gutierrez, coordinator of the Indian organization.

Despite the violent expulsions from the Catazaja beaches and from the municipality main town of Palenque, instigated by the big cattle ranchers, the Xi' Nich coordinators say that the communities still have faith in dialogue, in law, and in peaceful civil resistance. They warn, though, that if the authorities do not provide a just and committed response in support of their rights, the communities could put political means aside and turn to other methods.

In the midst of what they consider a war of domination and destruction aimed against them, a war that began 502 years ago and not on 1 January 1994, in a tense and provocation-laden environment, the Tzeltal, Tzotzil, Zoque, and Chol Indians of the municipalities of Amapan, Pichucalco, Sitala, Tila, Salto de Agua, Bachajon, Chilon, Ocosingo, Pantelho, and Palenque, members of Xi' Nich, have not received a satisfactory response to

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their agrarian demands. "The state and federal authorities have apparently not understood that we Indians are not thinking of getting money, but of having a plot of land. A father teaches this to his children because it is part of the life of the communities, of their way of thinking," emphasized Efrain Gutierrez.

The solutions have been too little and too late, infuriating some groups in the community, those who "want to take more direct action, to cause damage. We are trying to make them understand that social struggle does not mean waving a red and black flag with a star (the EZLN flag) or painting a PRD [Party of the Democratic Revolution] slogan or a slogan of Deputy Commander [subcomandante] Marcos. Instead, it means realizing the importance of acting as an Indian community and stopping ourselves from continuing to be deceived, defrauded, having governments imposed on us, and our resources plundered."

Unlike the municipalities in the northern part of the state, he explained, in this area the discussion is not about declaring a separate state or establishing Indian self-rule, but rather about raising consciousness to keep the PRI [Institutional Revolutionary Party], government institutions, those that are manipulated by the powerful, and various religions from dividing us; we are working to keep Xi' Nich strong, he pointed out.

The problem of unity in the native communities "has been around for a long time, it is not the result of the EZLN's uprising. But since 1 January 1994 the situation has been chaotic because the PRI-government has become a many-headed serpent biting and poisoning everyone, disuniting people with their programs like Pronasol [National Solidarity Program] and Procampo [Program for Direct Support to the Countryside]. Many people have not realized that our aim is not to get positions in the municipal council, but instead to make sure that all our needs are going to be met."

"The concern is that we have already been bitten by the serpent and now we need to heal ourselves with the remedies of our elders, but some people are demanding a quick cure, and that has caused disputes with the one who is healing us, for we lack patience, and that may do us a great deal of harm," he said.

A participant in the last meeting of the Democratic National Assembly, where a separate session was devoted to discussing Indian autonomy, Victor Gonzalez explained that the youth of the Zi' Nich communities—they are a little over 20 years old—and their political and economic control have restrained desires to discuss autonomy. "In the region where Xi' Nich is working, this process will be slower because of that control and because our work addresses the communities' social needs."

The organization, he explained, was born because of abuse and discrimination toward the communities, while other groups arose as a result of the agrarian struggle. "We wanted respect for the Indian communities; in the process it was found that the most urgent needs were social, along with the fight for land. Moreover, we work in communities that have been strongly infected by the mestizo mentality because of their proximity to the municipality main town, and that puts us at a disadvantage for declaring autonomy."

Another disadvantage is the lure of the armed approach, especially when they do not get a prompt response to their demands.

"Our job has been to talk and explain to them that the other approach is no good, that it has consequences of its own. Although there are seeds of the *mountain people*, in some of the Xi' Nich communities these seeds have not germinated; right now it is hard to find points of agreement between their approach and ours."

Twenty years after they occupied the Lacandon Forest region, the Indians now have difficulty producing enough corn, beans, and chiles from their land to feed themselves and to sell. They estimate that production of these crops, which 4 years ago was 186.8 tons, has declined 50 percent.

The inhabitants of a forest from which hardwoods have practically disappeared, being replaced by pasture land and agricultural areas whose soils are rapidly losing fertility, the Indians—with annual incomes ranging between 700 and 1,500 new pesos—are coping with their precarious economic condition by selling the small surplus of chiles they produced this year, since the beans and corn were inadequate for their own consumption. They need a little over 160 tons for their own use.

While the population is growing, land suitable for agriculture is being lost through severe soil erosion, which would need at least 20 years to recover. The consequences are reflected in big landslides and the loss of the layer of soil rich in organic matter and minerals suitable for planting, says a production investment proposal that Xi' Nich submitted to the federal government 4 years ago.

The tall forest trees no longer exist. Now in areas which can not be cultivated, some remnants of this forest can be seen, and in other areas tall grasses predominate, indicating that soil fertility has been gradually lost because of poor farming practices. "The productivity of the two basic grains is declining with every passing agricultural season: the productivity of corn is now between 2 and 1 ton per hectare, while the bean production is insufficient for the people's protein requirements. The most critical period is from September to February, when the ejidos have to buy large quantities of corn in order to subsist."

Today the ejidos established for over 20 years are in a "green desert"; the forest has disappeared, the pasture lands have a maximum lifespan of five to eight years, the

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shrubs are gradually diminishing, and the irregularity of the land and rockiness of the soil are increasing.

[Second and final part of two-part article by Matilde Perez]

[29 Nov p 27]

[FBIS Translated Text] Bachajon, Chiapas—Peace, democracy, respect for their own way of choosing their authorities and a solution for agrarian conflicts are the demands of the Indian communities that are members of the Xi' Nich Coordinating Board of Indian Organizations.

The almond eyes of the organization's coordinator, Francisco Gutierrez Gonzalez, reflect indignation about the violence in recent weeks against some members of the organization: "We are not troublemakers or lazy people; they are taking our land from us, they move us off the land even though we have papers showing our title to the land. We are tired of so many abuses, tired of being humiliated, of having the government just file away our demands or throw them out," he said.

He recalls: "Two years ago we marched on Mexico City, because the state authorities attacked us, threatened us, and put us in jail for asking for roads; some solutions were found, but when (former governor) Patrocinio Gonzalez Garrido went to the Interior Secretariat, the negotiations came to a halt again. Is that justice?"

Expelled from the municipality main town of Palenque on 16 [November] along with approximately 200 people who were conducting a peaceful demonstration in the central park, the coordinator said: "Today those with political and economic power are still acting the same way; we do not want them to go on torturing, threatening, and persecuting us; we want them to respect us and we want the proceeds of our natural resources to be used for our own benefit. We want justice, we want change."

However, he warned of the dangers of division in the communities because of "the tricks and corruptions of the PRI-government; they threaten not to support those who organize and they fabricate criminal charges against people who pay no attention to them."

He continued: "The only thing the people are asking for is respect, to live in peace and tranquility, to be able to work and not to be harassed by the authorities and the police. But if there is no solution and no respect, then the fuse, as Deputy Commander Marcos says, has been lit and it may explode. We are continuing to express our demands peacefully, we do not want to take up arms. But if the torture, the expulsions, and the same situation continue, there may be an armed struggle."

[Perez] Are you, the members of Xi' Nich, talking about Indian autonomy?

"Our intention as Indians is to set up our own government. A municipal congress is going to be convened to bring together the thoughts of all the communities. This is difficult because there are Indians and mestizos, merchants and small cattle ranchers. But we want to be recognized and respected as Indians, so we are working to have a government leader who will be known in the communities and who will have moral authority, someone who will not be from the PRI, for we detest that party." At regional meetings Xi' Nich members continue to ask the coordinators and advisers: "When will we have the land?" They say its cost has already been paid with the blood of their grandfathers, sons, and brothers. To *foreigners*—as they call members of the media and people who are not from the region—they point out that it is "hunger and suffering that are opening our eyes; it is not the Church or anyone else."

They also spoke of attacks, assaults, murders, and acts of vengeance in areas adjacent to the EZLN. But after hearing that on the road to Ocosingo this reporter was stopped twice by two different groups demanding "economic aid," they said that the Xi' Nich Coordinating Board of Indian Organizations neither controls this organization nor is involved in it.

On the road to Ocosingo, 40 minutes beyond Agua Azul, about 30 men who said they had been expelled from the Ursulo Galvan ejido and were members of the CNC [National Peasant Confederation] used a rope to prevent the car from passing, saying: "You have to give us 20 pesos to help us." After being questioned insistently about who they were and their living conditions, their anger increased, they searched the vehicle, and answered in Tzeltal.

Several kilometers further, a small group of women accompanied by one man blocked the road using similar tactics. They also asked for "20 pesos" as "aid." After hearing of these incidents, the Indians said: "After 1900 the road is dangerous, especially in Temoc. An attack is practically a certainty there, because armed men will stop you and take everything away from you."

The Longed For Parcel of Land

Disturbed about delays in proceedings to purchase the 41 properties which they have occupied since February, Indians of 31 communities in Sitala, Chilon, Yajalon, Pantelho, Bachajon, and Ocosingo say they took possession of these lands because "we know their owners have more than four properties in the region and some even own land in Tabasco."

Their fear is not only the high price—between 10,000 and 15,000 new pesos per hectare—that the owners are asking, but they also worry about leaving the lands because then "other groups will occupy them." Of the 41 properties, they say "the purchase is fairly certain" for only 11 or 12; for the rest, the owners "do not want to agree or ha[illegible] no desire to sell."

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Meeting in the Indian Rights Center on 5 August 1994, members of the 31 communities signed an agreement according to which the Rural Credit Bank of the Isthmus will provide 15 million new pesos to finance the purchase of these properties, whose legal status the Agrarian Reform Secretariat will review.

Three months after this agreement was signed—an agreement to which the heads of the Secretariats of Social Development, Agriculture and Hydraulic Resources, and Agrarian Reform, the government of Chiapas, the agrarian representative, and the director of Banrural [National Rural Credit Bank] were also parties—no significant progress has been made in this transaction.

In all, a little more than 1,000 heads of households are trying to buy 3,888 hectares. According to the document they signed, they agreed that the Procampo resources to which they are entitled will be used to pay off this financing, for which the Sedeso [Social Development Secretariat] contributed 6 million new pesos through a trust set up for the purchase of these properties.

The properties the Indians hope to obtain and work are: Tul'Aquil and a second and third portion, belonging to the brothers Javier, Ramiro, and Alfonso Ramos Morales; La Perseverancia of Celia Astudillo Canas; El Porvenir, Las Ardenias of Rigoberto Monterrosa; Carmen Xatila and a portion of Xatila, belonging to Ubenzo Lopez and Efrain Vera Arevalo; Virgen de Dolores of Delio Armando Ballinas; Suspiro of Joel Ramos Vazquez; Paraiso, belonging to Rodolfo Domiguez; Los Laureles and La Lorena of Gustavo Llaves.

Rancho Santa Isabel of Adonail Ballinas del Carpio; Pomiltic of Pedro Ramos Duran; San Pedro Chute'el of Francisco Rojas; Meraja of Ruben Mendez Monterrosa; El Porvenir of Delio Ballinas del Campo; Jawala of Clemente Estrada Mendez; La Union Tequin-Nem of Ramon Vazquez Vazquez; El Recreo of Arturo Ramos Diaz; San Jose Buenavista of Guillermo Ramos Lara; El Rodeo, belonging to Bertin Cancino Ramos; Arizona of Gabriel Diaz Victoria; San Luis Brasila of Luis Cancino; Finca 8 de Mayo of Felix Martinez Lopez.

Los Laureles and Las Palmas, belonging to Enrique Solorzano; San Vicente Buenavista of Francisco Ramirez Martinez; Pena Fuerte and Guatipetec of Hector Diaz D.; El Carmen of Jaime Molina Salazar; 11 de Abril of Joaquin Araujo; Genoveva of Absalon Diaz; a portion of Jawala and Sitalha, belonging to Humberto Diaz Castellano, Agustin Estrada Castellano, Lucia Estrada Mendez, Ciro Estrda Castellano, and Clemente Estrada Mendez; Centro Chilon of Javier Gallegos Martinez; Nachejeu of Alesio Robles; La Frontera de Villatoro, La Florida of Aparicio Victoria; Guayaquil and Las Cabanas of Murin Pinto Reyes; and Chumaltelac of Mario Araujo.

Speaking in their own language and in Spanish, this group of Indians reiterated: "We do not want wealth, but nor do we want to die of hunger. We only want the lands that give life to our communities."

Simojovel Autonomy Meeting Said Threatened

PT Role Cited

95CA0059A Mexico City LA JORNADA in Spanish 27 Nov 94 p 21

[Article by Jose Gil Olmos and Elio Henriquez]

[FBIS Translated Text] Simojovel, Chiapas, 26 November—Facing provocations by groups belonging to the Labor Party (PT), attempted ambushes, nighttime road closures, and harassment by armed men, the work of the Third Meeting of the Northern Chiapas Autonomous Region, which encompasses nine municipalities, began its second day today in a climate of tension.

The conflict in Simojovel has resumed. Yesterday it was "about to blow up" once again when armed men appeared in the vicinity of the municipal auditorium, and when Federal Deputy Antonio Hernandez Cruz, who is presiding over the work of the 200 delegates at the meeting, was almost ambushed at night.

The new possibility of clashes with armed groups of PT followers, said Hernandez, has put the delegates under pressure to get their work done before nightfall so that the men and women can be escorted by their comrades to the neighboring communities where they are staying.

It was while traveling in a pickup truck with a group of delegates to a nearby community that the federal deputy was almost ambushed. "There were some tree trunks on the road, and when I saw them I immediately went into reverse. It was an ambush," declared Antonio Hernandez.

"Yesterday as night fell," said the Tojolabal deputy, "some provocateurs could be seen. We even saw a man walking on the roof with a weapon on his shoulder."

Some of the delegates were threatened, and on one occasion, a man with a machete entered the auditorium and warned that all the "foreigners" who had come to disturb the peace in Simojovel should go away, commented Hernandez Cruz.

He indicated that the groups belong to the PT, and that they are supported by officials of the state government and armed by a few wealthy families in the municipality. Ever since the Municipal Council took office on 12 October, they have confronted the peasant groups that make up the Independent Central Organization of Agricultural Workers and Peasants (CIOAC), which are seeking autonomy and self-government.

He stated that despite the agreement made by Governor Javier Lopez Moreno (who was held for several hours on 5 November), the PT people disagree with the makeup of the Municipal Council, on which they have two representatives.

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The leader of the state Congress, Milton Morales, has also supported them. At a recent meeting, he appointed them as a municipal syndic, ignoring a previous agreement by the Municipal Council under which the various posts were already established, said the federal legislator.

He expressed the opinion that the PT was "invented" after 21 August by the Institutional Revolutionary Party (PRI) and the government because they have no strength in the region. Thus, without appearing to be led by the PRI, they have made the PT their shock troops to thwart any attempt at independent organization.

"We do not accept the provocations, because we want to be the government; plus, we would die," stated Hernandez Cruz. He reported that yesterday evening, after unsuccessful attempts to contact members of the National Mediation Commission (Conai), Interior Deputy Secretary Jose Narro Robles, and the governor, he managed to talk to the state interior deputy secretary, Rodolfo Ulloa, to whom he proposed a new dialogue for "municipal integration."

Power Vacuum Makes Matters Worse

"The situation is becoming even more dangerous if we consider that there is a power vacuum. At the national level, after the sixth presidential report, Carlos Salinas ceased to be president, and there is no government now. The same thing happened to Javier Lopez Moreno. This period without government is very dangerous in terms of maintaining the truce between the government and the Zapatist National Liberation Army (EZLN) or resolving the conflicts between civil society and the oligarchy," warned Deputy Hernandez.

Regarding the evaluation of the Autonomous Region of Northern Chiapas, which covers the municipalities of Simojovel, Huitiupan, El Bosque, Bochil, Ixtapa, Soyalo, Jitotol, Pueblo Nuevo, Solosuchiapa, and Rayon, he indicated that the final decisions will be ready by Sunday.

Toward the end, he explained that for the time being the communities are studying how they will live under self-government, the new relations they will have with the state and federal governments, and the regulations that will govern them.

In that regard, former Federal Deputy Margarito Ruiz Hernandez, present as a guest, announced that a new meeting to evaluate the Northern, Jungle, Border, and Highland Autonomous Regions and to establish "regional parliaments" has been proposed for 15 December.

He announced that in the Highland Region work is progressing on "compacting" the municipalities, and that in that region the objective is to create the municipality of "Jovel." In that area, the *coletos* [non-Indian Chiapans] will live side by side with the Indians of San Cristobal de las Casas.

In the Jungle Region, known as Marques de Comillas, a new municipality is also planned.

Antipolice Vote Taken

95CA0059B Mexico City LA JORNADA 28 Nov 94 p 17

[Article by Jose Gil Olmos and Elio Henriquez]

[FBIS Translated Text] Simojovel, Chiapas, 27 November—Saying "no" to war, poverty, deprivation, and discrimination, the Third Meeting of the Northern Chiapas Autonomous Region concluded today. The meeting was held in this municipality, where there have been continued attempts at confrontations between the peasants of the Independent Central Organization of Agricultural Workers and Peasants (CIOAC), joined together in the State Council of Indian and Peasant Organizations (CEOIC), and armed men of the Labor Party.

After the work of the meeting was threatened with suspension, the more than 200 delegates from the municipalities of Simojovel, Bochil, Ixtapa, Soyalo, Jitotol, Pueblo Nuevo Solosuchiapa, Rayon, El Bosque, and Huitiupan confirmed the autonomy of the region and demanded that all public security and judicial police leave the area.

The former civil society candidate, Amado Avendano Figueroa, officially closed the meeting. The delegates agreed to draft internal regulations for each municipality and to begin a dialogue with the state and federal governments to reach agreement on an overall budget, based on the comprehensive development program to be submitted by each region.

Another result of the meeting was the announcement that government institutions, including the Indian centers, will be taken over and administered by the people and the Indian and peasant organizations of the region.

The Indians from the northern region of Chiapas declared: "We want to live in a country and in a Chiapas where the government truly practices democracy, where we all have housing and education, where we all have the right to make decisions and to live in peace with dignity and justice."

Thus, amid the fear of new attempts to stop the vehicles in which Avendano's companions were traveling out of Simojovel, the work of the meeting concluded with a demand for a "democratic, honest, autonomous government made up of Indians."

Despite the threats and the appearance of armed men on all three days of the regional meeting, those in attendance were urged to organize a Fourth Meeting, to which other people were invited, without regard for their political or religious affiliation.

The delegates from the nine municipalities agreed that the organizational, political, and economic structures of

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the municipal presidencies, organized into municipal councils, should be directed by popular and organizational assemblies.

In this regard, they stated that the Northern Autonomous Region encompasses the same territory as the nine municipalities that comprise it, as defined by the Mexican Government.

Roundup of Economic Developments

PA1212223494

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Mexico monitored through 12 December.

The National Association of Mexican Importers and Exporters (ANIERM) has reported that there has been a 17-percent overall decline in sales since NAFTA was implemented 11 months ago, especially in areas such as services and small and medium-sized industries. Their small profit margins have nearly dropped to zero. (Mexico City LA JORNADA in Spanish 5 Dec 94 p 48)

According to the under secretary of foreign trade of the Commerce and Industrial Development Secretariat (Secofi) and the ANIERM, Mexico has had a trade deficit of between $53 million and $55 million during the previous six-year period of 1988-1994. (Mexico City LA JORNADA in Spanish 5 Dec 94 pp 60-50)

According to a study conducted by EL FINANCIERO, the Bank of Mexico, and INEGI (National Institute of Statistics, Geography, and Information Science), a decline in the inflow of foreign capital in 1994 increased concerns about the economy permanently resorting to foreign capital to compensate for the deficit in the balance of payments. The study says the decline also showed the limitations of the structural reforms implemented since 1985 and the inability of the private sector to generate the foreign exchange needed to finance its own development. The private sector's deficit increased 3.6 times between 1989 and 1994, rising from $7.835 billion to $28.260 billion. (Mexico City EL FINANCIERO in Spanish 5 Dec 94 p 4)

The Bank of Mexico has announced that financial intermediaries that begin operating in Mexico will only be able to stockpile revenues in Mexican pesos. They will not be allowed to open checking accounts in any other currency, and their overseas operations in other currencies must be reported to the Bank of Mexico. Even their liabilities in foreign currencies must not exceed 14 percent of total liabilities. (Mexico City EL FINANCIERO in Spanish 5 Dec 94 p 10)

Mexican Petroleum (Pemex) refineries exported a daily average of 14,500 barrels of turbosine—a type of airplane fuel—during the January-September period. During the same period, Pemex produced nearly 70,000 barrels of turbosine per day. Pemex also reported that national consumption of turbosine increased by 9.4 percent as compared to same period in 1993. (Mexico City UNOMASUNO (ECONOMIA Supplement) in Spanish 6 Dec 94 p 5)

The one-centavo increase in the prices of Nova and Magna Sin gasolines will allow Pemex to obtain additional revenues of 23 million new pesos in December, as an average of 495,000 barrels of these types of gasoline are marketed daily. (Mexico City UNOMASUNO (ECONOMIA Supplement) in Spanish 6 Dec 94 p 5)

Mexican mining companies are currently holding talks with the Cuban Government to create partnerships for the exploitation of nickel, cobalt, and chromium in Cuba, according to Luis Escudero Chavez, director of the Mexican Mining Chamber. (Mexico City LA REFORMA in Spanish 7 Dec 94 p 35A)

Foreign investments in the Mexican Stock Market dropped 1.72 percent during the month of November, declining from $75.555.8 billion to $73.902.19 billion. In its monthly report for November, the Mexican Securities Exchange reported that foreign investments dropped 3.37 percent from 1993 levels. Analysts believe the drop was prompted by nervousness among investors over political developments and the change of government. (Mexico City NOTIMEX in Spanish 0914 GMT 8 Dec 94)

The Inter-American Development Bank has granted Mexico a loan for $393 million to improve basic and preschool education for 3 million children who live in extreme poverty. (Mexico City NOTIMEX in Spanish 1533 GMT 8 Dec 94)

The Secretariats of Finance and Agriculture have reported that credits given to the agricultural sector increased 14.7 percent between 1989 and 1994. The Finance Secretariat's 1993-94 report said credits continue to increase as a result of measures implemented through the program to modernize rural areas. (Mexico City REFORMA in Spanish 8 Dec 94 p 29A)

The so-called modernization process in development banks is on the verge of collapse as a result of the country's financial instability. Based on September figures issued by the National Banking Commission and the Bank of Mexico, annual profits dropped 7.7 percent when compared to the same period in 1993, while overdue credits increased 35.6 percent. (Mexico City EL FINANCIERO in Spanish 8 Dec 94 p 8)

The increase in the price of petrochemicals on the international market allowed domestic companies and Pemex to increase production and sales during the first three quarters of 1994. Despite this recovery in prices, however, the petrochemical trade balance is worsening, accumulating a deficit of $344.1 million by September 1994—26 percent more than in 1993. (Mexico City EL FINANCIERO in Spanish 8 Dec 94 p 33)

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With the implementation of NAFTA, Mexican exports to the United States increased 20.5 percent in the first half of 1994, while exports to Canada grew 30.5 percent, according to figures released by the Mexican Foreign Trade Bank. (Mexico City EL FINANCIERO in Spanish 8 Dec 94 p 24)

A reduction in the payment of interest rates on the foreign debt will allow the government to earmark more funds for social programs and public investment in 1995. Twenty percent of the 1995 budget will be used for public spending, especially for education and health programs. (Mexico City LA JORNADA in Spanish 9 Dec 94 pp 1, 54)

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Belize

IDB Finances Health Policy Reform Program

FL1212135894 Bridgetown CANA in English 1622 GMT 11 Dec 94

[FBIS Transcribed Text] Miami, Dec. 11, CANA—Belize Prime Minister Manuel Esquivel and Enrique V. Iglesias, president of the Inter-American Development Bank [IDB], Sunday signed documents providing US1.8 million in IDB non-reimbursable financing for a programme to design and implement health policy reforms in Belize.

The operation will increase the ability of Belize's Health Ministry to identify, design and evaluate strategies and policies to improve the efficiency, equity and quality of the country's health care system.

The programme includes the design and implementation of health policy reforms, the training of personnel, and the preparation of an investment project for 1997 that will apply the reforms.

El Salvador

Calderon Sol on 'First Foot Inside NAFTA'

PA1412030794 San Salvador Canal Doce Television in Spanish 0100 GMT 14 Dec 94

[From the "Up-to-Date" newscast]

[FBIS Translated Text] President Armando Calderon Sol said today the U.S. Government has committed itself to seeing that Central American products enjoy the same benefits Mexican products have within the free trade agreement.

The Central American countries took to the Summit of the Americas a decision to join NAFTA. Upon returning from the summit, President Calderon Sol said this request was welcomed by President Bill Clinton, who promised a so-called provisional trade agreement will be approved by the beginning of next year although it is still being studied. This treaty could be interpreted as Central America's first foot inside NAFTA:

[Begin Calderon Sol recording] Otherwise, we would have to pay costly customs, meaning we have to break down the barrier separating us from the United States. We would be achieving this goal if we are able to secure this provisional trade agreement. If we do, our products will be able to enter the United States without paying customs, as Mexican products do. This way we would be promoting national and foreign investments in El Salvador and Central America, and our products would be able to get into the United States just as Mexico's products do. [end recording]

The Central American presidents and the U.S. chief of state signed, as a result of the summit, the Central American-U.S.A. Agreement to protect the biodiversity of the region.

Calderon Sol said this is the first evidence that the Central American countries have found in the United States a partner for promoting the sustainable development of the isthmus.

Editorial Views Summit, U.S., Sustainable Development

PA1312215494 San Salvador EL DIARIO DE HOY in Spanish 13 Dec 94 p 9

[Editorial: "Central America in a Special Relationship"]

[FBIS Translated Text] One of the most significant events in the Miami summit was the United States' formal incorporation as the first nonregional partner into the Alliance for Sustainable Development, which Central America created recently. This alliance is based on two fundamental premises: human advancement and the improvement of the quality of life with a special emphasis on the protection of nature.

According to the agreement signed in Miami, the United States' incorporation into the alliance offers "an opportunity to share efforts to attain a consistent and sustainable economic development, preserving the Earth's vitality and diversity for the benefit of the present and future generations."

The concern over the rapid deterioration of the environment is evident. This deterioration has reached catastrophic proportions in Central America, particularly in El Salvador. The fact the Central American presidents have succeeded in having the U.S. Government make a clear commitment to closely cooperate in these areas is an important accomplishment. In addition, this point demonstrates Central America is attaining a personality of its own as a subregion.

The Central America-U.S.A. Joint Statement, CONCAUSA for short, has a view to sustainable development. It is necessary for this purpose to take specific measures in the field of trade, just as Central America has been proposing. President Clinton has pledged to strive for approval of the Provisional Trade Plan, which will make it possible for countries to gain access to the U.S. market under special terms. This point is essential if Central America is to be spared the unpredictable effects of NAFTA, taking into consideration that Mexico and certain countries in this subregion have already signed free trade agreements and others are underway.

The movement toward a great continental free trade alliance is already in progress, and CONCAUSA shows the way specific relationships can be established even under the most disproportionate conditions. The efforts in this direction will surely continue, because the dynamics of reality are behind all of these initiatives. For this reason, the remaining time before the end of the century will be one of increased creativity.

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Editorial Views Summit's Economic, Political Gains

PA1312222494 San Salvador LA PRENSA GRAFICA in Spanish 13 Dec 94 p 11-A

[Editorial: "The Summit Opens Doors"]

[FBIS Translated Text] The Summit of the Americas held in Miami a few days ago marked an important date for the future of the Western Hemisphere. The world and our continent are quite different from the way they were in 1967, when a similar meeting was held. It is obvious that democratic progress has been made over the past few years, and even though many problems must still be resolved, especially in Latin America, the solid democratizing affinity being forged is the best sign that the future can be viewed with realistic hope.

The preservation and strengthening of the democratic community of the Americas were fundamental issues at the summit, a fact that is born out by the event's final document, which emphasized the consolidation of civil society and the promotion of cultural values. The top position of politics on the hemispheric agenda proves that the continent is achieving the basic unity required to establish a continental development plan based not on aid but on cooperation.

The economic topic is, of course, decisive, and a major portion of expectations for the summit revolved around it. Beginning with the important milestone of NAFTA, the dynamics of continental integration have gained a sense of reality. The creation of a free trade zone for the Americas is still a plan for the future, but the summit legitimized the plan even though it still looks utopian, because the realities of globalization make it not only foreseeable but necessary. The effort to achieve this type of integration will be arduous, complex, and protracted and will require complicated reconversion processes in a majority of our countries. Nevertheless, the challenge has been made, and it is not based on hope but on need.

Eradicating poverty and discrimination in the inter-American system is the Achilles heel of any effort toward sustainable development in the hemisphere. The issues outlined in the summit's final document are good proof that with political harmony it is possible to open doors to the most complex and forgotten problems. That is, in a nutshell, the historic merit of this summit.

Column Criticizes Omissions, Pressures of Summit Document

PA1312233094 San Salvador EL DIARIO DE HOY in Spanish 13 Dec 94 p 9

[From "The Item of the Day" column: "There Was No Other Way Out But To Sign What Had To Be Signed"]

[FBIS Translated Text] Despite the varied positions presented by several countries at the Summit of the Americas, in the end, only the document sponsored by the United States was approved, without discussion much less inclusion in the final communique of problems pertaining to illegal aliens, discrimination against certain products, terrorism promoted by Cuba, interference in the internal affairs of nations, and the quasi-impunity of drug consumption.

The agenda was presented by President Bill Clinton, but it was undoubtedly drafted by the "establishment" [preceding word in English] of U.S. foreign policy, which stands above party and transitory currents in the nation. Clinton has been left nearly powerless—the Republicans now control the Senate and the House of Representatives—but no one must doubt that the "Action Plan" stands above the executive, because it follows a current that originates in the "Alliance for Progress," however modified and changed in time.

The poor Ibero-American presidents approved a strengthening of the OAS as the hemispheric police agency, whose seat will naturally be in Washington. They also recognized the authority of the supranational financial organizations, which have the power to encourage or retard the economic development of any "banana republic" or a whole region. The International Monetary Fund (IMF), the World Bank (WB), and the Inter-American Development Bank (IDB), in conjunction with USAID, will be charged with reviewing and approving petitions, handing out money, conditioning its use, awarding the well behaved, and could go as far as asphyxiating those governments which follow policies or programs that are not to the complete satisfaction of the loaners.

"The Gang of Four" [previous four words published in English] (the IMF, the WB, the IDB, and USAID) already has enormous power and influence over the economic plans and projects of most countries in Ibero-America, if not all. Furthermore, the group is in a position to exercise a daily follow-up process of each "aid" package, just by resorting to simple administrative methods. They take advantage of this to pressure for certain specific positions. Here in El Salvador, they manage to get lower government officials whose plans virtually depend on these loans to serve as permanent lobbies. These officials lobby the central government to speed up spending in their areas—which requires approval from the executive branch, the National Congress, and even the Supreme Court—instead of following suggestions from other areas.

They Ask for Whatever in Confusing, Clouded Language

As if that were not enough, the agreements contain a flowery bunch of "social" and political aspirations that make the squeeze more tolerable. The 33 presidents agreed—these were offers one could not refuse—on such matters as defending "human rights," "promoting democracy," and safeguarding "the rights of the working class." To attain the latter, they invoke international agreements that are promoted by U.S. unions.

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There was also talk of "strengthening society and community participation" and of "promoting mutual trust." Such objectives are subject to as many interpretations as there are politicians. No one can fail to see the danger that such lyrical, subjective aspirations entail as the bases for a relationship between the largest economic and military power in the world and its trivial neighbors. Such a comparison inspired the title of a famous, although not very substantial, book by Former Guatemalan President Jose Arevalo: The Shark and the Sardines.

At all such gatherings there is always plenty of good and plenty of bad. The year 2005 was set as the deadline for hemispheric commercial integration. Many efforts will be made to reduce environmental pollution, fight drug trafficking, pursue the corrupt, and promote tourism. Twenty years [as published] is a very short and definitely ambitious timeframe, but we have pointed out that contraband and the collapse of the nation's authority are attaining these goals for El Salvador, where we import much more than we export, and where the conditions for investing in factories, crops, and workshops are nonexistent.

Presidential Designee Resigns To Begin Legal Defense

PA1212153694 Paris AFP in Spanish 0324 GMT 9 Dec 94

[FBIS Translated Text] San Salvador, 8 Nov (AFP)—Carlos Mejia, the Salvadoran presidential designee (vice president), presented his resignation today before the Legislative Assembly in order to begin his legal defense of charges of corruption filed by a businessman and a lawyer.

"I am submitting my resignation from the high position with which the Assembly has honored me. My political honesty and moral standing move me to give up any constitutional privilege in order to defend my good name," he stated.

In September, businessman Marco Antonio Batres and lawyer Kirio Waldo Salgado accused Mejia, who resigned from his position as agriculture minister in November, of "influence peddling."

Finance Minister Ricardo Montenegro resigned together with Mejia. He was also accused of influence peddling in addition to tax evasion.

Mejia said: "I believe I am contributing to democratic maturity by giving up my constitutional privileges and proving my absolute trust that truth and justice will prevail in my favor in the end."

The Legislative Assembly accepted Mejia's resignation and will wait for President Calderon Sol to make the decision on waiting for a judicial ruling or presenting a list of three candidates to choose a new presidential designee.

National Resistance Decides To Withdraw From FMLN

PA1312190094 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 12 Dec 94

[Report by Roxana Dominguez; from the "Facing the Moment" program]

[FBIS Translated Text] The decision of the National Resistance [RN] to definitely withdraw from the FMLN [Farabundo Marti National Liberation Front] was made known today, Monday, with the public announcement by RN leader Eduardo Sancho of a definite separation, something the People's Revolutionary Expression [Expresion Revolucionaria del Pueblo—ERP] also did last week.

It was a known fact that the RN would break away from the FMLN. Sancho said that in the FMLN there is no longer room for two trends and for this reason his group decided to split from the party, just like the ERP, the only difference being that the RN will not demand any compensation.

[Begin Sancho recording] The national leadership was sure of what it had to do, but municipal leaderships had to make sure themselves. We have decided to withdraw from the FMLN in our democratic style, let us call it this way. We are announcing this historic decision officially, backed by documents from all the municipalities and municipal assemblies. We can say that by 20 January, we will officially have all the acts from all the municipalities. We want to set this precedent. The separation is not a decision of the leadership but a decision of all the municipal leaders and of party members throughout the country. They have adopted this historic decision. [end recording]

Sancho added: The legacy we leave is the signing of the peace agreements.

Meanwhile, Gerson Martinez, member of the Political Committee of the Popular Liberation Forces [FPL], noted that the RN separation was an internal decision of that group.

[Begin Martinez recording] The FMLN remains a stable institution. We comprise three forces: the FPL, the Communist Party, and the Revolutionary Party of Central American Workers, plus the democratically oriented group of the ERP; RN leaders Marco Jimenez and Chano Guevara, who was the commander in Guazapa; Ramon Arce, commander of Morazan; and RN rank and file in San Salvador and in other places who have decided to remain within the FMLN.

Popular and business sectors are approaching the FMLN.

We did not want this, but if it is their decision to leave, they have the right to go whichever way they find suitable. We hope it is a worthwhile road. [end recording]

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Eduardo Sancho said that his people will organize a group to create a democratic opposition. He did not speak of an alliance with the ERP, but there is the possibility that RN and ERP legislators may join forces to create a political force within congress. Sancho said that some of his men will be present at the FMLN convention next weekend.

Guatemala

President De Leon Carpio Remarks on Summit

PA1412022494 Guatemala City Teleonce Television in Spanish 1900 GMT 13 Dec 94

[News conference by President Ramiro De Leon Carpio with unidentified reporters on 13 December; place not given; from the "Telepress" newscast—recorded]

[FBIS Translated Excerpt] [passage omitted] [Reporter] [Words indistinct]

[De Leon] This is an interesting subject, one on which the media have reported. I met with delegates of the Cuban Democratic Community, which consists of various sectors, particularly with opposition parties such as the Social Democratic Party, the Liberal Party, and the Social Christian Party. Several sectors of the Cuban civil society, headed by the Catholic Church, are also represented in the community. There are also other groups that have managed to organize themselves despite the lack of personal and organizational freedom prevailing in Cuba. They spoke to me in Miami during the Summit of the Americas. I met with them, and they asked me to invite the Central American presidents. I invited President Figueres, President Reina, President Calderon Sol, and myself. Nicaraguan President Violeta Chamorro could not attend, because she had landed that same afternoon, but she wholeheartedly agreed with the conversation. President Balladares, who was also absent, said he also agreed with the meeting.

Of what do these talks consist? That they have asked us, the Central American presidents—in this particular instance the Guatemalan president as former human rights ombudsman and due to our regrettable experience of armed confrontations in our own country, the solutions found by other countries, and the solution we are seeking through dialogue based on the peace process that started in Esquipulas II—to call for a dialogue. This point should lead to a peaceful solution.

As I said in Miami, there are two types of solutions. One is violence, which many Cuban exiles in Miami favor; this solution would be a regrettable one. Another could be the elimination of the confrontation between the United States and Cuba, but we are dealing with more than that issue. We are dealing with the American hemisphere, which paves the way for Cuba's democratization and respect for the Cuban people's human rights. I cannot refuse this request. I am willing to preside over a forum that ideally could be held in Esquipulas, because it has witnessed the beginning of the fruitful peace process in Central America, particularly in Nicaragua, Honduras, and El Salvador, and, we hope, Guatemala.

Based on the treaties, on part of the peace process that is born in Esquipulas through a Central American agreement and given the experience of the Central American presidents, I would serve as moderator in a dialogue in which all of the Cuban civil society and the Cuban Government can participate.

When I speak of Cuban civil society, I mean Cubans who are abroad and those who are in Cuba. The purpose was to reach an understanding on two issues, one of which is Cuba's democratization. Cuba was absent, and the great question was why. Well, because the minimum qualification to be a partner in this hemisphere is the existence of democracy, even if it is formal. The 34 heads of state, heads of government, and prime ministers who attended are the result of democratic systems in one way or another. The minimum requirement for the partners of this hemisphere is, at present, that they be the product of a democratic system, and Cuba does not have a democratic system of government; it has not held free elections and so forth.

The other issue involves the achievement of respect for human rights, particularly one right that is among the most sacred—individual freedom. As a former human rights ombudsman and as a fighter for the defense of human rights, I cannot refuse to participate in a historical event.

Can you imagine what it would mean for Central America and Guatemala, (?through) Esquipulas II, to achieve dialogue with Cuba and that country's democratization? I would say we could do that and then die, because (?it would be) quite an event. If it is pleasant to achieve the freedom of an individual, imagine what it would mean for us to achieve the freedom of an entire nation that has lived for 36 years under a nondemocratic system and whose freedoms have been restricted. It must be acknowledged that perhaps progress has been made in Cuba regarding social human rights such as the right to health and education. Unfortunately, this point contrasts with the absence of individual rights. That is [words indistinct]

[Reporter] [Words indistinct]

[De Leon] No. That was an idea that emerged from the Central American presidents, particularly President Reina and also Figueres, who spent some time at the meeting and who agreed to the proposal of a peaceful, political, dialogued solution. From them came the idea of this invitation. Imagine what this means. I hope no one refuses to participate, but we must make the effort even if there are some refusals. I do not believe anyone will refuse to hold a dialogue, but the effort must be made even if someone does.

[Reporter] When [words indistinct]

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[De Leon] Early next year.

[Reporter] Do you foresee any changes in your cabinet?

[De Leon] [Words indistinct]

[Reporter] [Words indistinct]

[De Leon] That issue is something both governments have been discussing and investigating. It is not surprising, because there are ties between them that are not only physical but possibly ideological, and that is precisely why I have spoken on three occasions with President Zedillo about this issue. We will resolve the problem from the economic and social standpoint. We intend to create, through an agreement we are about to sign, parallel economic and social development zones on the Mexican side as well as the Guatemalan side to combat poverty; in other words, we will foster economic and social development along the (?peripheral) lines on either side, with loans, financial assistance, technical assistance, and assistance in the marketing of products.

We will economically and socially develop both strips, and with the growth of these zones we will prevent the trafficking of weapons and the illegal entry of guerrillas or discontented groups, as the Zapatist group is called, from the other side. We will also prevent the contrabanding of lumber and archaeological pieces and so forth.

We are aware of the problem and are almost certain there are ties, a relationship, not only of weapons but also among people. This point is exactly what the Mexican Government is worried about, because the commanders of the URNG [Guatemalan National Revolutionary Unity] have been in Mexico. The Mexican Government has extended us the hospitality of allowing us to hold the dialogue there. Now the situation has become complicated, however, because the difficulties Guatemala has experienced are now being experienced by Mexico. We are going to prevent the trafficking of weapons and the communication between the rebels at all costs, for security and other reasons. To do this, of course, the Armies of Mexico and Guatemala will have to strengthen the border on either side.

Honduras

Reina Discusses Outcome of Summit of Americas

PA1312212994 San Pedro Sula TIEMPO in Spanish 13 Dec 94 p 7

[FBIS Translated Text] Tegucigalpa—President Carlos Roberto Reina said yesterday that ranking IMF officials offered to write off 50 percent of the country's foreign debt with the Paris Club at the Summit of the Americas.

According to Economy Minister Delmer Urbizo Panting, the current debt is $1.2 billion, "which we would exchange for a much smaller, more humane, and less onerous debt," he explained.

The president made his statement upon returning from Miami, where he attended the Summit of the Americas and discussed "three important topics": trade, sustainable development, and the fight against corruption.

As for trade, the president said it was agreed to lift barriers so the natural products of the region can enter the United States, including the "immense" NAFTA zone, without restrictions.

The president added that the Inter-American Development Bank (IDB) gave the country a donation to address health problems, but he did not specify the amount of the nonreimbursable loan.

The president also spoke about the fight against corruption at the summit, particularly the need to face this international "plight" collectively.

He said corruption took advantage of the freedom of democratic governments to damage them. He said this is a very sensitive issue because until countries have defeated poverty, governability is at risk.

The president said that at no time did he refer to former President Rafael Leonardo Callejas, who was recently charged with abuse of power and forging documents.

Reina responded to Callejas' claim that he had evidence of an alleged alliance between state powers to persecute him politically, stating that "at no time has he gone before the prosecutor or the judiciary branch to take action against anyone."

"I have promised the Honduran people that I will apply the law to its fullest extent. I didn't need to mention that incident to improve my position at the Miami summit. That would be magnifying things and distorting reality," he said.

Regarding Central America's position on Cuba at the summit, he said they agreed to discuss the topic outside the Cold War context and as an issue of reconciliation among citizens of a nation of America.

Regarding the region's position on California's Proposition 187, which denies the right of children of illegal immigrants to health and education, the president said that "everyone at the summit opposed the law and asked that it be repealed immediately."

Panama

President: Rafters Not To Stay Past 6 Months

PA1312193794 Panama City Telemetro Television Network in Spanish 1730 GMT 13 Dec 94

[From the "Telemetro Reports" newscast]

[FBIS Translated Excerpt] Upon arriving in the country after attending the Summit of the Americas in Miami, President Ernesto Perez Balladares commented on the crisis of the Cuban rafters and said the situation will be

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resolved when they fulfill their aspiration of leaving Cuba not to come to Panama but to be reunited with their relatives, most of whom are in the United States.

[Begin Perez Balladares recording] I am hopeful that this will be achieved promptly so that they can leave Panama under good conditions and terms. The idea was to have an additional waiting period so they can leave for their destination. [end recording] [passage omitted]

In the president's opinion, the situation will not change the terms of the agreement with the United States, regarding the stay of Cubans in Panama.

[Begin Perez Balladares recording] I also want to reiterate my promise and commitment with the Panamanian people. We agreed to let them stay in Panama six months, and they will stay in Panama six months. [end recording] [passage omitted]

The president also hinted that Haitian General Raoul Cedras may be extradited to his country.

[Begin Perez Balladares recording] Of course, if there is an extradition request, we will carry it out. [end recording]

President Perez Balladares was accompanied by his wife, Mrs. Dora Boyd de Perez Balladares, Foreign Minister Gabriel Galindo and Mrs. Galindo, and Private Secretary Boris Moreno. After the salute by the presidential guard, First Vice President Tomas Altamirano Duque and Second Vice President Felipe Virzi, state ministers, and government officials welcomed him.

Assembly To Demand Rafters Removal if Riots Reoccur

PA1412024694 Panama City ACAN in Spanish 2216 GMT 13 Dec 94

[FBIS Translated Text] Panama City, 13 Dec (ACAN-EFE) The Panamanian Legislative Assembly warned that it will demand the immediate withdrawal, before the established date, of the more than 8,500 Cuban rafters from the U.S. military bases in the Canal if there are any more disturbances like those that occurred last week.

This was affirmed today by Democratic Revolutionary Party (PRD) Legislator Oyden Ortega Duran, president of the Panamanian Legislative Assembly Foreign Relations Committee, in statements to a local radio station.

More than 1,000 Cubans staged serious riots on 7 and 8 December in Camps 1 and 2 (there are four camps in Panama), resulting in the injury of 221 U.S. soldiers and 28 rafters. Two Cuban rafters drowned in the Panama Canal while trying to escape from the camp by swimming across the Canal. "If something similar takes place, I do not think we should wait for the six-month deadline (for them to leave the country) established in the agreement signed by Panama and the United States in September," Ortega said.

The PRD legislator added, however, that this would be done "at an appropriate time" because the Foreign Relations Committee would have to study the matter if new incidents took place.

Panamanian President Ernesto Perez Balladares repeated yesterday that the deadline for the Cuban rafters' stay in Panama will not be extended. According to the agreement signed by the United States and Panama, the deadline is 1 March.

Regarding last week's riots, Ortega told local RPC radio that there are still no conclusions on the riots because "we are waiting for complete reports."

In this respect, Ortega stressed there are still a great deal of "contradictions." He said there are still no exact figures on the number of people injured and arrested during the incidents or the possible penalties to be imposed on those responsible for inciting the riots.

The Legislative Assembly on Monday urged Panamanian and U.S. authorities to solve the Cuban problem and asked the Legislature's Human Rights and Foreign Relations Committees to visit and evaluate the camps and submit a report to the Chamber of Deputies.

The U.S. Southern Command, headquartered in Panama, reported that 600 Cubans were arrested, 490 of them accused of inciting the riots. They will be submitted to a summary trial, and returning them to Cuba as a penalty has not been ruled out.

Deputy Foreign Minister Omar Jaen Suarez said today that the arrival of more U.S. troops in Panama to reinforce the security of the rafters camps does not violate the Canal treaties signed by the United States and Panama in 1977.

Jean Suarez said the Panamanian Foreign Ministry was notified of the arrival of these troops by U.S. Charge d'Affaires Oliver Garza.

The Deputy Foreign Minister explained that the agreement on the Cubans establishes that the United States is responsible for maintaining order and security in the camps and that the (U.S. military) "is doing what is necessary" in that respect.

Legislator Views Possibility of Asking U.S. To Remove Cubans

PA1412042894 Panama City Circuito RPC Radio in Spanish 2219 GMT 13 Dec 94

[Report by Zoray Mariel Bambu]

[FBIS Translated Text] Ruling party Legislator Oyden Ortega, president of the Assembly Foreign Relations Committee, said that if there is a recurrence of the violence that took place on 7 and 8 December in the rafters camps on Empire Range, the committee over which he presides will request the departure of the

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Cuban rafters from Panamanian territory. He said that everything must be done at the proper moment.

[Begin recording] [Ortega] I think that if something similar happens again, we should not wait for the six-month term established in the agreement.

[Bambu] Will the Assembly committee request this if the Panamanian Government does not?

[Ortega] This committee has to study the case. This should be done at the proper time, and I do not believe that pressure from a journalist should influence an official into saying what the journalist wants. [end recording]

Ortega stressed that the Cuban problem must be resolved by the U.S. Government, which created the situation. He said he does not believe that the Panamanian Government can recommend specific measures in this case. What Panama should do, through the Foreign Ministry and the president, who directs foreign relations, is express its concern to the United States about the events that have taken place on our soil and request from them official information that includes recommendations.

[Begin Ortega recording] The program should include the way they are going to dismantle these camps so when the six-month term expires, Panama will have none of these camps and none of the Cuban refugees. [end recording]

Legislator Oyden Ortega finally said that the committee appointed by the plenum to analyze the Cuban case has not yet reached any conclusion, primarily because it is awaiting complete information to clarify contradictory reports on numbers of detainees and escapees, as well as punishments.

Special Committee To Investigate Rafter Situation

PA1412011294 Panama City Circuito RPC Television in Spanish 2300 GMT 13 Dec 94

[Report by Alvaro Alvarado; from the "RPC Television News" newscast]

[FBIS Translated Text] Three months have gone by since the approximately 9,000 Cuban rafters arrived in Panama, and there is still no solution to the problem. Now the question arises of the future of these people, who are living in camps on U.S. military bases. Following the recent events, the National Assembly has appointed a special committee to look into the refugees' true situation.

[Begin Oyden Ortega Duran, chairman of the National Assembly Foreign Relations Committee, recording] Panama signed an agreement with the U.S. Government and therefore must also request a full report from the U.S. Government on the events. There are contradictory reports on figures; that is, the number of missing people, the number of people they are still looking for. There are, we might say, inconsistencies regarding the number of people injured in the incident. [end recording]

Ortega maintains that the Cubans did not come to stay in Panama but to use the country as a transit point on their way to a third country. This calls for an explanation. Omar Jaen, deputy minister of foreign affairs, said the agreements signed by Panama and the United States should be fulfilled as President Ernesto Perez Balladares has stated.

[Begin Jaen recording] There will be no extension of the Cubans' stay in Panama beyond six months, which is when the period set forth in the agreement expires. [end recording]

Third Group of Cuban Rafters Leaves for Miami

PA1312191994 Panama City Telemetro Television Network in Spanish 1730 GMT 13 Dec 94

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] The third group of rafters left for Miami this morning. "Telemetro Reports" gave exclusive coverage to the sentimental moments of every farewell.

Since 6 September when the air bridge between Guantanamo and Panama was established, the longing of the Cuban rafters has been to get to U.S. shores. More than 8,000 rafters share the four camps in Operation Safe Haven. Of them, 117 comprising three groups have already reached the United States.

This morning, 32 rafters comprising the third group bade farewell to Panamanian soil at Howard Air Force Base.

[Begin unidentified female rafter recording] Now that I got this, I feel good but I also feel sad, because I am leaving thousands of friends behind. I know they will spend many more days here. What I want is for them to have faith, to trust that they will get out of here, and to know that as I am leaving, they too will leave. I think my family will spend a much nicer Christmas season knowing that I will no longer be in a refugee camp. [end recording]

At Howard Air Force Base, "Telemetro Reports" was able to obtain exclusive footage on the transportation of the bodies of Rolando and Lazaro, the two rafters who drowned attempting to swim across the Canal during the recent disturbances.

With tears in their eyes, many of the rafters left for Miami, what they call the land of liberty.

[Begin unidentified male rafter recording] Four months ago I took to the sea in search of freedom, and I see my wish has come true today. My long-awaited dream has come true now. I wish the golden dream can also come true for all my Cuban brothers. They are also searching for liberty and are now...[end recording]

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Cuban Rafters Feel 'Harassed' by Elite Troops

PA1312163994 Panama City EL PANAMA AMERICA in Spanish 13 Dec 94 p 3A

[Report by Arnulfo Barroso Watson]

[FBIS Translated Excerpt] The Cuban rafters feel that they are being "harassed" by the unusual presence in the Safe Haven Operations camps of Southern Command riot police and elite troops from the United States, while warning that this situation will generate new clashes.

A group of rafters from Camps 1 and 3 spoke yesterday to EL PANAMA AMERICA. They said that in the camps "the innocent must often pay for the guilty," because the U.S. military forces are making a display of military might to impress them psychologically.

These people asked that their names not be revealed for fear that reprisals would be taken against them. They asserted that the presence of a considerable number of soldiers with their faces painted green and in combat gear in the camp's perimeter has created a constant atmosphere of tension among women and children, which makes it difficult for them to go to sleep at night.

"It looks like a military garrison; there is wire fencing, soldiers, and all kinds of weapons. This reminds us of Castro's army in Cuba," they said.

The presence of the troops in the camps and the atmosphere of tension that prevails there deters Cubans from leaving their tents late at night to take care of their physical needs or seek medical attention, because the language barrier prevents an effective communication, the Cuban rafters warned.

They reported that as a reprisal for last week's disturbances, telephone communications with their relatives in the United States and Panama have been cut off. They explained that each time the operator hears a voice in Spanish, she says that the lines are all busy.

They also remarked that their family visits and the delivery of cigarettes have been used as a method of "blackmail" by the North Americans.

The disturbances left 209 soldiers and 17 Cubans wounded with slight to serious injuries. Twenty-five U.S. citizens and 17 Cubans, three of whom were injured with birdshot, were hospitalized. The damage has not yet been assessed. [passage omitted]

The rafters stressed that their protests were initially peaceful, but the U.S. soldiers with the overflight of helicopters in the camps and the display of military force caused the demonstration to turn violent.

They said their intention was to show their discontent with the U.S. immigration policy by sitting in the center of the camps, but the soldiers charged them with their "hummers" [previous word published in English] prompting demonstrators to hurl stones, sticks, and other solid objects at them.

The interviewees refused to affirm or deny that there were Castro supporters among the 9,000 rafters in Panama who promoted the disturbances.

"The trip of our fellow rafters to Spain is not the cause of the protests, as was reported. This fills us with hope. Instead, the reason of the protest is the frustration we feel because Clinton is playing with Castro at our future's expense," they highlighted.

Despite the frustration they say they feel now, the Cubans feel optimistic that before 3 March—the date when the six-month term the Panamanian Government authorized them to stay here expires—they will be granted political asylum in the United States or a third country.

Rafters Claim U.S. Southern Command Violating Rights

PA1312193194 Panama City EL SIGLO in Spanish 13 Dec 94 p 2

[Article by Yuriela Sagel]

[FBIS Translated Excerpt] Rafters from the camps at Empire Range have told EL SIGLO that they are living in a "climate of fear" and have suffered serious violations to their human rights by members of the Southern Command.

According to an anonymous source, several of his friends were arrested, handcuffed, and later undressed. They were left in their underwear for long hours under the sun.

Rafter Julian Cazas Gonzalez, who suffers from asthma, slept on the floor handcuffed with an intravenous needle in his arm for three days. Even several minors have been arrested. The minors were accused of hurling stones during last week's violent incidents, the Cuban pointed out.

During the scuffles, a woman was handcuffed and made to lie on her stomach with her son next to her. Another rafter was also beat up, three of his teeth were knocked out with a stick and remains under arrest.

The injured rafter said he had requested medical attention; however, the captain responsible for emergency care refused to assist him and told him to return the next day because his case was not an emergency.

He emphasized that "the innocent should not pay for the guilty" because not all of them are responsible for last Thursday's and Friday's incidents.

The Southern Command disclosed that some 600 rafters have been arrested—of whom, 490 are "instigators," 472 males and eight females [figures as published].

The "instigators" have been accused of "leading" the scuffles and will be questioned to determine their responsibility. [passage omitted]

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According to official figures of Operation "Safe Haven" most of the fugitive rafters have been captured and only 10 remain outside the camps. [passage omitted]

Continuing with the immigration process, some 38 Cubans will leave for the United States early today with temporary visas issued by the State Department. This group includes six unaccompanied minors and 32 people with chronic diseases and their immediate relatives.

A source close to the camps at Empire Range said more rafters could be dead, but U.S. authorities have denied this report.

EL SIGLO also learned that a third victim was mentioned during the religious services, but this allegation was denied.

A spokesman for Operation "Safe Haven" pointed out the 31 rafters who ingested "rubbing" alcohol are out of danger. The 19 rafters who remained hospitalized have been discharged.

Human Rights Official on Treatment of Rafters

PA1312200394 Panama City LA ESTRELLA DE PANAMA in spanish 13 Dec 94 p 1

[Report by Cristobal A. Chen]

[FBIS Translated Text] Osvaldo Velasquez, the Panamanian Human Rights Committee (CPDH) president, referred yesterday to the Cuban rafters who were involved in the violent riots recently and said it is a human rights violation "to punish or arraign" any person who attempts to obtain freedom.

Velasquez told LA ESTRELLA DE PANAMA, "we are sure that no democratic country in the world punishes citizens when they are looking for freedom."

However, Velasquez noted that for the United States to protect the Cuban refugees "there has to be some type of discipline because, if not, there would be chaos in the camps."

The U.S. Southern Command confirmed that approximately 600 Cuban rafters are under arrest at preventive detention camps at the Empire Range camps.

Furthermore, U.S. authorities stated that approximately 490 of the Cuban rafters who allegedly participated in the 7 and 8 December riots are "agitators."

Velasquez also added that the camps, which were installed for the Cuban rafters on the southeastern banks of the Canal, "were detention camps but have become concentration camps because of the strong security measures adopted by U.S. authorities."

"The only thing that will stop agitators at those camps from promoting more riots would be for the U.S. Government to make a serious promise to solve their problems," Velasquez added.

According to Velasquez, the recent riots, which ended with the drowning of two Cubans in the Panama Canal, "could be taken" by nongovernmental organizations to the UN Human Rights Commission in January 1995.

National Bar Association President Jorge Hernan Rubio has asserted that the legal process against the "agitators" is too rigid and similar to the one imposed on military personnel."

According to the code of conduct that is distributed to the Cuban rafters at the camps, escapes, clashes, and other such offenses are are punished with measures that include the deprivation of freedom for up to 150 days.

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Argentina

Menem Interviewed on Economy, Elections

PY1212160194 Buenos Aires LA NACION in Spanish 7 Dec 94 p 14

[Interview with President Carlos Menem by LA NACION reporters Silvia Pisani, Sergio Levit, and Angel Vega at the Olivos Presidential Residence on 6 December]

[FBIS Translated Text] [LA NACION] What would you call this year?

[Menem] I would not call it an exceptional year, but it has been a good year.

[LA NACION] Yet one of your foremost wishes was fulfilled, you now can be reelected....

[Menem] Yes, but we cannot focus on that alone. The country has been put in order, record investments have been made. Those are the important things.

[LA NACION] There is a heavy fiscal deficit, however.

[Menem] The entire production apparatus had to be reequipped. Capital goods had to be imported to accomplish this, thus prompting the fiscal deficit. This is not bad; on the contrary, it is good, because it allowed us to upgrade our production apparatus. You will see that things will go smoothly next year. Is there any country in the world that does not have this kind of deficit? A country like ours that has just moved into a different economic phase is even more likely to have a fiscal deficit. The Argentina of closed borders, deficit-ridden state companies, and a captive market is over. I have said before that many companies have had to close down because they were unable to compete.

[LA NACION] Speaking of deficits, it would seem that according to Indec [National Institute of Statistics and Census] figures, unemployment is on the rise.

[Menem] Yes, but these are not the final figures.

[LA NACION] Are you worried about unemployment?

[Menem] Of course, everyone worries about unemployement. Unemployment is present throughout the world. The figures we have in Argentina are not final. The final figures will be available no earlier than January. There has been some talk about 13 percent. That figure is not right. I can list provinces where unemployment has gone down—in Mendoza, for example. On the average, unemployment is nowhere near 13 percent.

[LA NACION] When do you think unemployment will start to go down?

[Menem] Next year. I believe that we will cut unemployment by three or four percent. Unemployment will go down to seven or eight percent.

[LA NACION] What will be the key to this reduction?

[Menem] Next year I will announce the second five-year plan that we are drawing up. This plan provides for numerous public projects for which many unemployed people will be hired. The Chamber of Deputies has already approved construction projects, and all we need is the Senate's approval. Once we get it, we will launch the housing plan. The package of new labor laws is also in Congress; it will play a key role in dealing with unemployment.

Let me tell you that our unemployment figures are more or less equivalent to our poverty figures: 11 percent. Poverty and unemployment seem to stand at the same level. Let us not forget, however, that poverty stood at 38 percent in 1989 and it has gone down to 11 percent. It has gone down 27 percentage points. If that were not true, why would there be more commercial activities, more production, and more consumption.

[LA NACION] The UCR [Radical Civic Union] is the strongest opposition party, isn't it?

[Menem] Yes, it is the strongest opposition party....

[LA NACION] Well, the UCR claims that the economy is buoyant because of services and consumption, not production.

[Menem] I do not believe that to be the case. In any case, I do not know who would say this....

[LA NACION] I will tell you: Horacio Massaccesi.

[Menem] Oh, well! Horacio is campaigning. Ricardo Lopez Murphy, one of his economic advisers, has been saying quite the opposite. Lopez Murphy said that if the UCR were to win the 1995 elections and he had to work with a UCR administration, he would not change course in any way. He only said that there was room for improvement.

[LA NACION] You know that there is talk about excess spending, that it is almost like a party. Did you issue instructions to cut spending?

[Menem] No, there is no party or anything like that. We are spending what is absolutely necessary given the current circumstances in Argentina. Public spending has been cut drastically. Public deficit was what we used to have under the UCR administration because of all the state-owned companies. That was indeed a party: a party of spending and issuance of bonds without backing. Nobody can deny it was a real mess.

[LA NACION] Is Domingo Cavallo part of the second stage of your administration?

[Menem] Yes, Cavallo will continue as economy minister.

[LA NACION] You do not imagine yourself without Cavallo?

[Menem] No.

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[LA NACION] Does this mean that you do not doubt that you will win the elections?

[Menem] Yes.

[LA NACION] Should there be a runoff, will there be changes in your ticket?

[Menem] No. I do not believe there will be a runoff.

[LA NACION] By what margin do you expect to win?

[Menem] I will win by at least 10 percent over the opposition.

[LA NACION] Congress has not regulated any of the laws that came out of the Constituent Assembly that amended the Constitution. It is common knowledge in Congress that the first of those laws has to do with the autonomy of Buenos Aires, and that it is not being debated because the Justicialist Party [PJ] cannot agree on what is best for it.

[Menem] The PJ is not obstructing anything. Everything should be done in the right way at the right time.

[LA NACION] There is, however, a deadline by which Congress should call a Buenos Aires Constituent Assembly. The question is, are the people going to vote for Buenos Aires mayor and for members of the Constituent Assembly at the same time?

[Menem] That is for Congress to decide. I have not issued any instructions on the matter.

[LA NACION] Does that mean that you do not know who will be the PJ candidate for mayor?

[Menem] The nomination will come out of a PJ caucus.

[LA NACION] Who is your candidate?

[Menem] I have nobody in particular. Let us see how the opinion polls turn out.

[LA NACION] What about the vice presidential candidate?

[Menem] I have already explained why I have kept silent about it. I do not want him to be manhandled. Everyone will know on 3 January. That is only a little while away.

[LA NACION] Will you allow the opinion polls to guide your choice of vice president?

[Menem] No, the vice president has already been elected.

[LA NACION] How is he doing in the polls? (laughter) Political rumor-mongers claim that in fact, you do not know who will be your runnning mate.

[Menem] That is their business. My brother cannot be the vice president because he is my brother. Cavallo cannot be the vice president either, nor can Duhalde. Each provincial governor is a potential vice president—take your pick. (laughter)

[LA NACION] A couple of years ago, when talking about the second stage of your administration, you said that you were concerned about funds for social benefits. How do you assess what has been accomplished, and what lies in store for us?

[Menem] We have budgeted $51 billion for social spending.

[LA NACION] Well spent?

[Menem] Well spent: $10 billion on education; $6.5 billion on health. We will also spend on justice, security, social security—it will all be very well spent.

[LA NACION] That is strange. Cavallo keeps asking for increased effectiveness in social spending.

[Menem] These expenditures have been budgeted for and the budget has been discussed at cabinet meetings. Every minister and state secretary had their say. We all agreed on it and submitted it to Congress. There can be no cuts or adjustments of social spending. Record funds have been allocated for education and health. The state has been insistently asked to pay more attention to health and education, and now we have an impressive educational reform under way. From all over the world we have been asked about the details of our new laws on education.

[LA NACION] Where did these requests come from?

[Menem] From Europe and the Americas. The new hospital system of self-management is also yielding excellent results. As you will recall, I am sure, when people went to public hospitals they had to supply their own medicines, surgical dressings, alcohol. Now public hospitals are making transplants.

[LA NACION] This paper published on the front page of its 5 December issue a report noting that certain hospitals lack basic materials. The appropriation is large; let us see how well it is spent....

[Menem] We have discussed this issue many times in this very office. The appropriations, the way they are designed, are essential and the funds will be spent well.

[LA NACION] What will happen to people who have disability pensions but are not really invalids?

[Menem] We will take their pensions away. They are stealing, are they not? Fifteen percent of all pensions are disability pensions. That is a lot. I believe that at least 10 percent of all disability pensions are fake. The average percentage of disability pensions is between four and five percent of the total, and even that is quite a bit.

[LA NACION] When will action be taken?

[Menem] I have instructed Social Security Secretary Walter Schulthess to have everything ready as soon as possible. I have told him to stop improper pensions and reorganize the pensions roster.

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[LA NACION] Above and beyond your perception of the level of poverty, what is your opinion of the social situation in general? Do you believe that there could be spots of social tension, an outbreak of social violence?

[Menem] No, no such thing is likely. The economy is picking up speed and some provincial governors are very enthusiastic over the way things are going and the fact that new jobs are opening up. Just take a look: We are again populating the Patagonia. We will be exploiting 1,000 [oil] wells there and the demand for manpower is attracting people from other provinces.

[LA NACION] The second stage of your administration will include Domingo Cavallo no matter what?

[Menem] Yes, Cavallo will continue as economy minister.

[LA NACION] You do not imagine yourself without Cavallo?

[Menem] No.

[LA NACION] In your opinion, how will the investors and the market react if Cavallo were to leave the Economy Ministry all of a sudden?

[Menem] I am not a fortune teller. I do not know how they will react in a situation like that. Let us, however, get something straight. I believe that the entire system, the entire structure that has been erected on the basis of the new approach, which has turned out to be really good, has been shored up. In any case, there is no point is speculating about all this. Should something that serious happen, there could be negative reactions, but they would not last forever. Things will stabilize after a while.

[LA NACION] We saw it recently.

[Menem] The market did react to the recent clash between Cavallo and the Senate, but as soon as things quieted down, the markets recovered. The same thing can happen in a situation like the one you described.

[LA NACION] Do you believe this is one of the myths that still prevail in the Argentine economy?

[Menem] Which one ... that the economy cannot do without Cavallo? Well, let us keep things straight. Cavallo is a great economist and he has a team, but the president makes the decisions.

[LA NACION] Then it is a myth?

[Menem] It is absurd to believe that the economy will fall apart because one minister goes, even though he is a first-class minister, and I will say once again that Argentina never had an economy minister like Cavallo.

The country, however, cannot depend on one man alone, no matter how good he may be. The accomplishments of this administration are not the accomplishments of Carlos Menem or of some specific member of his team alone. The success belongs to the entire team.

Whenever a minister leaves, situations crop up and they have to be dealt with swiftly. I have already said that not even the president is indispensable.

[LA NACION] Are you prepared for something like that?

[Menem] I have never stopped to think about it, but I am completely prepared.

[LA NACION] Does that mean that you have some names, that you have replacements?

[Menem] I have names, I have people. There are scores of people.

[LA NACION] Is that true? Can you give us some names?

[Menem] No, no names.

[LA NACION] At least tell us how they are doing in the polls.

[Menem] No. Economists do not show up in polls.

[LA NACION] Well, Cavallo has been talking about Lopez Murphy. He is one of the most respected men in financial circles. The same applies to Miguel Angel Broda.

[Menem] The two support the administration's economic approach wholeheartedly?

[LA NACION] Yes, but both see some negative aspects in it.

[Menem] I can see negative aspects in it as well.

[LA NACION] Tell us about one.

[Menem] The rate of unemployment is one of these negative aspects. How can we break records in terms of generation of new jobs, and have growing unemployment at the same time—these are the contradictions of the modern world and technology.

[LA NACION] Aren't you worried about the pressures on the rate of exchange over the long term?

[Menem] No. The exchange rate will not be amended before 1999 under any circumstances.

[LA NACION] In your latest interview you stated that you would not go for another pact with Alfonsin. Just recently Presidential Secretary General Eduardo Bauza admitted that he is meeting with Alfonsin periodically.

[Menem] Well, maybe they are friends. Maybe they meet periodically to drink coffee. One thing has nothing to do with the other.

[LA NACION] Then you are saying that there is no new pact in the offering?

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[Menem] Absolutely not.

[LA NACION] How would you describe your relationship with Alfonsin?

[Menem] Good. We talked when we signed the agreement that you call a pact; then we met at the ceremony to swear allegiance to the new Constitution. We also saw each other at the Te Deum the other day. That is all.

[LA NACION] So what does Alfonsin talk about with Bauza?

[Menem] It is only natural for a Radical Civic Union leader to want to talk with people of the administration, or for people of the administration to want to talk with the leader of the opposition. They get together, they are friends, they see each other periodically. I am aware that Bauza is fond of Alfonsin and the other way around. They are fond of each other. There is nothing wrong about it.

[LA NACION] We are not saying it is wrong, but what do they talk about?

[Menem] They discuss things that interest them. Sometimes I do not even know when they meet or talk. It is part of the routine.

[LA NACION] We have been unable to get you to tell us about your running mate or your candidate for Buenos Aires mayor. What about the chief of cabinet?

[Menem] As far as I am concerned, Bauza is one of the people who will be invited to take the job, that of chief of cabinet.

[LA NACION] You would like him to occupy a high-exposure post like that?

[Menem] Yes, because I know him. It is a very important post. For that post the president needs somebody he can trust absolutely.

[LA NACION] Do you find that post more important than that of vice president?

[Menem] What do you think? The vice president spends his time at the Senate; he meets the president once or twice a week at most. When Duhalde was around, things were different. We were always together. Now we are talking about something else; we are talking about a chief of cabinet, who may turn out to be somebody else, but for the time being, I prefer Bauza.

[LA NACION] What does it take?

[Menem] Bauza has been loyal all his life. I worked with him in La Rioja Province in 1973 and the tasks I gave him, no matter how hard, he accepted and carried out. So now I will appoint him chief of cabinet if no other candidate comes up. After all, we still have a long way to go until the 1995 elections.

[LA NACION] You just finished saying how much you trust Bauza. Is there anyone else you trust as much?

[Menem] Of course. There are many people. In the Justicialist Party we worship trust and loyalty. That is why we have practically no problems within the cabinet.

[LA NACION] Does that mean everyone likes Cavallo?

[Menem] I am not saying that everyone does. The president likes him, and that is enough.

[LA NACION] There is, however, tension within the cabinet?

[Menem] Not within the cabinet; maybe outside. When a minister goes to Congress and argues with government deputies and opposition deputies, there could be some disagreements. Not in this office; I would not put up with it.

[LA NACION] You are defending him, but by doing so, you are thwarting his aspiration of becoming chief of cabinet.

[Menem] He never said he wanted to be.

[LA NACION] Did you ever ask him?

[Menem] No, I did not. I want Cavallo as my economy minister.

[LA NACION] What did he say to that?

[Menem] He said yes. He did so publicly.

[LA NACION] Have you ever submitted to psychoanalysis?

[Menem] No, I do not believe in those things. I get rid of my tensions through sports, by playing soccer, basketball, golf. I fly planes. Besides, I would rather go crazy than be rescued from my madness.

Di Tella Comments on Falklands Fishing Rights

PY1312234294 Buenos Aires TELAM in Spanish 2201 GMT 13 Dec 94

[FBIS Translated Text] Buenos Aires, 13 Dec (TELAM)—Foreign Minister Guido Di Tella today said if we cannot reach an agreement with Great Britain on fishing and oil exploration in the Malvinas zone Argentina will defend its rights at international courts.

Di Tella said: "Either we reach agreement with the British or we oppose, with every right," any unilateral decision. We will defend our rights "at international courts."

Foreign Ministry sources explained that the Argentine claim at international courts would create a climate of dispute that would discourage private companies from participating in the exploitation of resources.

Asked whether the differences with Great Britain on fishing and oil exploration could endanger future negotiations on sovereignty, Di Tella said: "The sovereignty umbrella includes respect for signed agreements."

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The foreign minister answered questions on fishing rights saying: "Argentina will not fish less than what it thinks it is reasonable."

"Argentina has the right to fish 220,000 tonnes" per year in the zone, Di Tella said, adding: "This is reasonable and that is why we will continue to fish this volume."

In 1933, Argentina and the United Kingdom agreed that Argentina would fish 220,000 tonnes and Great Britain 650,000 tonnes per year in the zone. Technical estimates state these volumes do not place any fish species in danger.

The two nations later decided to reduce these volumes, a decision which has subsequently been reversed by Argentina to the previous fishing limit because of the lack of an agreement with the British.

Asked about the alleged presence of Argentine military officers in Mexico as "advisers" in the effort to control the so-called Zapatist National Liberation Army, Di Tella said: "We have yet to determine if there are Argentine military officers in Mexico."

Di Tella said the issue of mediation by U.S. President Bill Clinton in the Malvinas case "was taken rather lightly by the press."

"Argentina has never requested mediation," the foreign minister said without ruling out the possibility that "we may have to face that possibility, although it is out of our control to decide."

Strikers Stone Municipal Building in Tucuman

PY1312183894 Madrid EFE in Spanish 0201 GMT 13 Dec 94

[FBIS Translated Text] Tucuman (Argentina), 12 Dec (EFE)—The Tucuman Municipal Council building has been seriously damaged by municipal workers who caused disturbances and demanded payment of their salaries just one year after the so-called "social outburst" that shook Santiago del Estero, a city in northern Argentina.

The municipal workers went on strike today, protesting because they have not received their November salaries. The disturbances ended with the stoning of the building where councilmen work.

The strikers became angry after learning that the Municipal Council has approved separate regulations to privatize the parking system and traffic control.

This angry reaction comes just four days before the first anniversary of a popular protest movement that reduced the buildings of the three branches of government in Santiago del Estero Province to rubble.

On 16 December 1993, municipal workers and other social segments destroyed Santiago del Estero's gubernatorial, congressional, and courthouse buildings after protesting for a few days over failing to collect their monthly salaries.

Both Tucuman and Santiago del Estero lie in northern Argentina, the poorest region of the country.

The incidents in Santiago del Estero spread to other cities, but not as violently. The people in these provinces are basically employed at the various provincial and municipal bureaucracies, which represent an overcrowding of public servants, a phenomenon that represents a concealed strike system. [sentence as received]

Tucuman and Santiago del Estero lie about 1,000 km north of Buenos Aires.

Bolivia

President Announces 1996 Santa Cruz Summit

PY1312174294 Madrid EFE in Spanish 0013 GMT 13 Dec 94

[FBIS Translated Text] La Paz, 12 Dec (EFE)—Bolivian President Gonzalo Sanchez de Lozada reported today that the second Summit of the Americas will be held in the city of Santa Cruz. Preparations for the holding of this summit will start on 1 January 1995.

Sanchez de Lozada explained that the Second Summit of the Americas will be held in 1996 within the framework of the OAS and the objective of establishing a common market among all countries of the Americas.

Sanchez de Lozada, who arrived in La Paz before dawn on 12 December from Miami, where he attended the First Summit of the Americas, said he hoped all heads of state of the Americas elected by the will of the people—including Cuban President Fidel Castro—will be be able to attend the Santa Cruz summit.

He said: "We hope Cuba will be present and that all the heads of state present will be elected by free will." Referring to the future members of the Free Trade Agreement of the Americas (FTAA), Sanchez de Lozada wondered: "How could we establish a common market without having democracy as its common denominator?"

The Bolivian president said he hopes that Cuba will soon be able to join the democratic system of nations. He also expressed interest in "being of assistance" in this process so that "Cuba may be present at the summit" to be held in Santa Cruz.

Regarding the results achieved during the Miami Summit, Sanchez de Lozada stressed the role of the Bolivian delegation, which "upheld a clear position on the holding of one of the debates." He also pointed out the "moral weight" shown in insisting on the proposals that were made.

He added that the U.S. summit brought 34 democratic presidents together—excepting only Cuba—as opposed to the first one held 27 years ago, when half of the heads of state were either dictators or de facto rulers. Moreover, he said that "on this occasion we met on equal

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terms, as opposed to the previous meeting, in which they sought strategic objectives."

Sanchez de Lozada reasserted the hope af all those who attended the Miami Summit, that the commercial integration process "will become a reality in five or six years." He said that the agreed upon opening of markets should not scare anyone, particularly "small" countries such as Bolivia.

He cited the case of Mexico, which joined NAFTA along with the United States and Canada and which initially faced problems regarding protectionism, but "its trade grew 22 percent in the first year" the treaty was enforced.

Sanchez de Lozada admitted that this is not the case with Bolivia "because it is an open market economy, but it is a challenge that we must face, as Mexico did when it had to restructure its market, and Chile will do the same" when it joins NAFTA.

In reply to a question, the Bolivian president resorted to his good humor, which prompted the laughter of all journalists, by stating that he said he does not know how much the holding of the second summit in Bolivia will cost because, as he said, "it is like a wedding. No one knows how much it will cost."

Sanchez de Lozada explained that the 1996 summit could be held neither in La Paz, because of the altitude, nor in Cochabamba, because the Rio Group Summit is scheduled to be held in that city in 1996. Therefore, it will be held in Santa Cruz, one of the most dynamic cities of the country.

Businesses, Unions Disagree on Americas Trade Bloc

PY1412010094 La Paz Television Nacional Network in Spanish 1700 GMT 13 Dec 94

[FBIS Translated Text] A plan for social, political, economic, and ecological action was the result of the recent Americas summit held in Miami. The creation of a free trade area is sought in the economic area. This initiative has been received with applause by the national private sector, but was repudiated by workers.

According to the Summit of the Americas' declaration of principles, free trade in the region must be understood as economic integration, a key factor for sustainable development in the region. The idea is to avoid hidden restrictions on trade; to maximize the opening of markets; to reach balanced and integrated agreements with relation to tariff barriers, agriculture, subsidies, investment, copyrights, and others; to provide technical assistance; and in other words to integrate the smallest economies to increase their development.

Bolivian private businessmen feel that America cannot remain behind as compared to the accelerated growth of markets such as the European or Asian tigers. According to Carlos de Chazal, chairman of the Bolivian Private Businessmen Confederation, this globalization of the markets will favor the small countries.

[Begin De Chazal recording] Our development process always encounters tariff barriers, phytosanitary controls, price restrictions, that is, a lot of measures that do not allow us to sell our products without restrictions in other markets. [end recording]

But this opening must be consistent with tax policy, De Chazal said. He then criticized the government for making tax amendments.

Lucio Gonzales, leader of the Bolivian Labor Confederation, COB, feels, however, that the creation of economic blocs in the world only favors the world powers.

[Begin recording] [Gonzales] The United States is currently trying to create its own American bloc with South American countries. We are beginning a new intercapitalist dispute for territorial distribution.

[Unidentified reporter] Don't you think that the lifting of a number of restrictions on our products will benefit our economies?

[Gonzales] In our case, no. We cannot join a world economy when we have nothing with which to compete. The fact is that the transnational countries can compete with the technologies they are creating. And with what are we going to compete? With soybeans? [end recording]

According to the COB, the Summit of the Americas did not represent anything but the maximum expression of neoliberalism.

Cuba To Cooperate in Environment, Education, Culture

PY1312220694 Santa Cruz EL MUNDO in Spanish 4 Dec 94 p A7

[FBIS Translated Text] Bolivian Ambassador to Cuba Franklin Anaya has told EFE that the Cuban Government has agreed to cooperate and advise Bolivia in its efforts to preserve the Pirai River, which runs through the city of Santa Cruz.

Anaya said the agreement was closed during meetings held by representatives from both countries in Havana last November. The ambassador added that the delegations closed several agreements that will benefit the two countries.

Anaya said the delegations analyzed with concern the situation of the Pirai River, which is seriously contaminated with the toxic waste that is sometimes dumped into the river by sugar mills.

The ambassador said Cuba will cooperate with Bolivia to preserve the environment, and will help analyze the situations of Bolivian rivers in all departments.

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The Pirai River is considered one of the most seriously contaminated rivers in the country. Local agro-industrial firms dump their toxic wastes in its waters, and this has killed thousands of fish and has caused the destruction of the department's fishing resources.

Anaya said the two countries signed education agreements and decided to exchange experiences through a trip by Bolivian university rectors to Cuba and visits by Cuban professors to various Bolivian universities.

In the field of culture, the ambassador said the two countries will make efforts to teach the rich cultural traditions of Cuba and Bolivia to their peoples.

Franklin Anaya said that Bolivian officials will visit Cuba to observe that country's experiences in the field of popular participation.

The ambassador said Bolivia will share its mining experience with Cuba as Cuba is making an effort to exploit its mining resources in order to earn hard currency.

Anaya announced that the two countries decided to eliminate official and diplomatic visas affecting personnel traveling to the other country for meetings, counseling, and research in order to make such meetings more efficient.

Anaya said all agreements will be implemented between the first and second quarters of 1995, particularly those on trade and economic exchange.

The ambassador said the Bolivian Embassy will organize a Bolivian cultural week in Cuba during the first months of 1995 that will include artisans' exhibits, paintings, dances, and the presence of folk groups.

Aranibar: 'Zero Option' Part of Drug Policy

PY1312185194 La Paz PRESENCIA in Spanish 5 Dec 94 p 1

[FBIS Translated Text] Bolivian Foreign Minister Antonio Aranibar said yesterday that the Master Plan for the Development of Cochabamba Tropical Area is not a replacement for the suggested "Zero Option," adding that the two projects are part of the overall drug enforcement policy.

He said the master plan emphasizes social and productive investments as the best means to remove the reliance of regional economy on coca-cocaine production and to improve the inhumane standards of living of most Chapare inhabitants. Aranibar pointed out that the funds for this plan should come from the EU, the United States, and international organizations.

Aranibar stated: "The Zero Option is a part of the overall policy which was submitted to the Paris Club. Chapter 5 of this policy calls for immediate action so we cannot just wait and do nothing. The Bolivian Government will essentially continue the (drug enforcement) policy outlined in Law 1008."

He added: "The Cochabamba Development Corporation and local farmers will implement the overall plan for the tropical region, bearing all economic and social considerations in mind."

The foreign minister said this at the El Alto Airport after his trip to Chimore (Chapare) was suspended due to bad weather at the other end. The minister was traveling with other government officials and U.S. Embassy guests.

The minister explained that the first phase of the overall plan was to diagnose the socioeconomic situation and reflect it in a document while the second phase is aimed at obtaining resources to finance projects that will be agreed upon with coca farmers. He said: "The projects that we will suggest will be submitted for consideration by various countries which may be willing to contribute to them. We will, of course, submit these projects for consideration by the U.S. Government."

The guidelines for the second stage are contained in six chapters called: Diagnosis of the Tropical Area; Overall Development of the Chapare Region; Environmental Strategies; Social Strategy; Economic Strategy; and Institutional Strategy.

The minister said the second phase calls for the establishment of a board comprising five executive branch representatives and five Chapare coca growers federation representatives.

Aranibar feels the overall development plan will pave the way for the implementation of the Popular Participation Law in Chapare region through the governments of the three counties in Cochabamba's tropical region.

Aranibar said: "This is the first time the municipal governments have been considered. The National Commission for Alternative Development has decided to involve the mayors in the implementation of the Popular Participation Law. This will allow residents other than coca growers to participate."

He acknowledged: "The Popular Participation Law has had no significant effect on the economy of the tropical region yet. It is time to look for other ways to handle the situation. Developing the region will not be accomplished by merely substituting crops, we must also find ways to give products more added value."

'Sure Markets' Needed for Alternative Products to Coca

PY1312195094 La Paz PRESENCIA in Spanish 5 Dec 94 p 5

[FBIS Translated Text] Yesterday Foreign Minister Antonio Aranibar admitted that the lack of a sure market is the greatest difficulty that the future implementation of the so-called Master Plan for the Cochabamba Tropics Development [Plan Maestro de Desarrollo del Tropico de Cochabamba] will have to overcome. He said that the main markets for alternative products are in EC member countries and the United States.

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Arancibia said: "It is an unsolved problem because there is no complete guarantee of markets, but the search for sure markets is a key element of the plan. This entails the matter of preferential EC rates for Andean products, and the facilities granted in this regard by the United States."

He admitted, however, that this fact alone does not represent any guarantee of a market, and recalled that the plan foresees the possibility of granting the Chapare producers means of access to those markets.

He added: "It is not just a matter of agreements, but of making sure they have the capability to reach those markets."

Within this context he mentioned that not only Bolivia, but also the members of the Andean Group, such as Colombia, Peru, and Ecuador, have asked the EC Council of Ministers to extend the general preference system that expires on 31 December.

Aranibar asserted that the "Andean countries have been negotiating the extension of this system for another 10 year term. This decision will be made in the coming days by the EC Council of Ministers. Since we came to power the Foreign Ministry has been working on this issue."

The foreign minister added that "the purpose of my visit to Brussels in April was to make sure that the EC accepted our viewpoint and endorsed it. This objective was attained, because I met with European Union Vice President Marin, and on that occasion they guaranteed their support for the campaign."

He also said that Venezuela was also involved in these negotiations.

Bank Chairman: Central Bank in 'Solid Situation'

PY1312200294 La Paz PRESENCIA in Spanish 5 Dec 94 p 1

[FBIS Translated Text] "The Bolivian Central Bank (BCB) is in a very solid situation," BCB Chairman Fernando Candia said yesterday. Candia denied a press report saying that the BCB was in a situation of collapse.

With respect to the possibility that the liquidation of the Cochabamba Bank and Banco Sur could create a very serious liquidity problem for the BCB, Candia said the report was senseless, totally false, and cannot be proven.

The BCB is the largest bank in the financial system and is, therefore, a lot larger than the other two liquidated banks together, Candia said, reiterating that Cochabamba Bank and Banco Sur clients will recover their deposits, adding that this will not strain the Central Bank's solid financial situation.

"What the bank does is take responsibility for all depositors and return them their money wherever they might be. The report saying that the BCB will be severely affected is an attempt to hurt depositors," Candia said.

The BCB chairman explained that the BCB is "advancing" funds to the liquidators so that they can return clients' deposits, because it is sure it will recover its money once the bank is liquidated.

"A liquidation process means that all bank assets will be sold, liquidated, and the proceeds will be handed over to the BCB," Candia stressed, pointing out that in no case will the National Treasury commit any of its resources.

General Denies Precursor Trafficking Across Peruvian Border

PY1312185594 Cochabamba LOS TIEMPOS in Spanish 3 Dec 94 p A8

[FBIS Translated Text] Oruro, 2 Dec (LOS TIEMPOS)—The Bolivian Army today rejected a report from Chile about "150 illegal crossing places on the Bolivian border with Peru" through which drugs and chemical precursor trafficking is increasing. He termed the report "exaggerated, false, and completely out of tune with reality."

Brigadier General Henry Rodriguez Rodriguez, the commander of the Army 2d "Andean" Division, told LOS TIEMPOS that—within his geopolitical jurisdiction—Bolivia "is strictly controlling its borders and making significant efforts in the antinarcotics fight."

Gen. Rodriguez said: "We have posts along the western border, thus the report of 150 illegal crossing places is exaggerated and essentially not true."

Lawyer Rodrigo Soto, a member of the Chilean Antinarcotics Commission, reported a few hours ago through a news agency the existence of "150 illegal crossing places" on the Chilean border with Peru and Bolivia.

The Chilean lawyer said: "Drug trafficking and drug addiction are increasing among Chilean youth because of those crossing places."

In response to Chilean reports on the possible current state of abandonment of the Bolivian international border with Peru and Chile, Gen. Rodriguez said in Oruro: "I am personally concerned and have moved against these activities. I know the entire zone under the responsibility of the 2d Army Division on the western part of the Republic, and I can say that everything is under control."

Following the opening ceremony of the "Agriculture and Livestock Fair" in Oruro at noon on Friday, 2 December, Gen. Rodriguez said: "I believe the Chilean lawyer is exaggerating and has released a false statement."

Correction to MNR Wants MIR Members Tried for Drug Links

PY1212143294

The following corrections pertain to the item headlined "MNR Wants MIR Members Tried for Drug Links," published in the 9 December Latin America DAILY REPORT, pages 37-38:

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Page 38, column one, paragraph two, sentence two make read: ...this particularly sensitive? Because current acting MIR leader Oscar Eid Franco—one of the accused—can neither be taken to court nor be sued for malfeasance in office because he did not hold any state post. He now finds himself in... rewording per monitor recheck.

Column one, paragraph three, sentence two make read: ...Jaime Paz Zamora has been charged with malfeasance in office, and Departmental Prefect Rolando Arostegui has been taken to court. This means that... rewording per monitor recheck.

Brazil

Castro To Attend Cardoso's Inauguration

PY1312153894 Rio de Janeiro JORNAL DO BRASIL in Portuguese 12 Dec 94 p 6

[From the "JB Report" column by Ronaldo Brasiliense]

[FBIS Translated Text] Fidel Castro has confirmed his presence at the inauguration of Fernando Henrique Cardoso on 1 January.

Castro will thus be celebrating the 36th anniversary of the Cuban Revolution—which is also commemorated on 1 January—in Brasilia.

TSE Approves Cardoso's Campaign Finances

PY1312220594 Rio de Janeiro JORNAL DO BRASIL in Portuguese 11 Dec 94 p 6

[FBIS Translated Text] Brasilia—The Superior Electoral Court (TSE) on the evening of 9 December unanimously approved President-elect Fernando Henrique Cardoso's electoral campaign accounting. Cardoso's presidential campaign office collected more than 33.6 million reals [R]. Out of this total R11 million, or 32 percent, was donated by banks and construction firms. Now that the TSE has approved Cardoso's campaign finances, his certification as winner of the elections can be confirmed for 17 December at 1000.

Cardoso's largest campaign donor was the Bradesco [Brazilian Discount Bank] group—R2.2 million—which made donations together with 31 other banks. The Andrade Gutierrez construction firm was the largest donor (R965,000) among the eight construction firms that helped Cardoso's campaign. Other large donations were made by former state companies that were privatized in the past few years. Among them are the National Iron and Steel Company, which helped with R200,000, and Acesita [Itabira Special Steel Company], which donated R112,500. NEC [Nippon Electronic Company] of Brazil donated R205,000, and the Piedade Refinery assisted with R1 million.

The money donated by individuals adds to a little more than R1 million, or 2.97 percent of the total. Most donations were in amounts of R25 and R50. Fernando Henrique Cardoso's greatest expenditures—which totaled R31.7 million—were made on television programs, opinion polls, pre-electoral tests, graphic materials, and legal consulting services.

The TSE Internal Control Secretariat was responsible for analyzing Cardoso's campaign accounting. It was approved the day before yesterday during an administrative session attended by the court's seven members. The court examined three volumes of documents containing more than 1,000 pages.

Fiscal Adjustment Alternatives for 1995 Viewed

PY1312154394 Sao Paulo GAZETA MERCANTIL in Portuguese 5 Dec 94 pp 1, 3

[Article by Celso Pinto]

[FBIS Translated Text] A few crucial matters for the Fernando Henrique Cardoso administration must be decided in the last four weeks of the year. The most important of these are measures to reduce the 1995 fiscal deficit, an adjustment for the state banks, and definitions for the exchange policy.

The fiscal problem is very important. The government projections for next year indicate a potential operational deficit of $12 billion, or nearly 2 percent of the GDP. The federal public accounts are expected to close 1994 with an operational surplus of 0.2 percent of the GDP. The operational result includes the federal government's financing needs but it does not take into account the application of monetary and exchange corrections.

So far the government has said that it will be able to compensate for the fiscal loss with income raised through privatizations (4.6 billion reals) and other extraordinary revenues. Fiscal balance is considered essential for the success of the stabilization program. The future administration is still examining alternatives to raise more revenues. Nothing has been decided, but within the framework of what can be done with taxes, it is good to recall that besides increasing tax percentages, there is the legal possibility of charging a tax approved by the Constitution and yet not applied: the tax on assets.

The probable 1994 fiscal balance will be obtained at the expense of an enormous expenditures cut in the budget, as has been done in the past few years. Expenses involving investments and other payments by the federal government can, for example, remain below half of what was stipulated in the budget bill.

This is not a new magical trick, but its continuity is always subject to uncertainties. At the beginning of the year, precisely because it did not believe that the government would be capable of cutting its budget expenses so extensively, the IMF refused to sign a "stand-by" [preceding term in English] agreement with Brazil because the IMF projections were much more pessimistic that our own.

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The 1995 budget foresees a substantial increase of expenses in items like investments and other federal government payments. Studies indicate that the level of these expenses this year is, in real terms, 54 percent below the level of 1988, before the constitutional reform. This means these types of expenses have been considerably reduced. If there is no other alternative, the government could repeat this feat in 1995, but an effort has to be made to relieve the fiscal panorama at the start of the future administration.

It must be pointed out that as regards the 1995 fiscal balance, one cannot count on the results of the fiscal and tax reform that will be sent to congress. Even if these reforms are approved next year, they would not have an impact on the 1995 accounts. Besides, as Finance Ministry special adviser Edmar Bacha has said, the net effect of the reforms that will simplify, rationalize, and increase the efficiency of the taxation system can be negative initially.

Another vital point on which the future government's economic team is working is the future of the state banks. The objective is to find a solution to their problem before the end of the year.

There are several ideas under discussion regarding this subject. The ideal solution would be to privatize the state banks that have difficulties, but this would depend on the will of the governors-elect and on the changes that must be approved by the state legislative assemblies.

On the other hand, some governors are pressuring the Central Bank to appoint the presidents of their own state banks. This measure, however, represents a risk because it would imply that the Central Bank would have to assume the responsibility for the future of the state banks in difficulties.

In practice, the solution could be to adopt some kind of system of shared administration between the Central Bank and the states, given that the possibility of liquidating these banks has been, in principle, ruled out. Contrary to what happened in the past, when the Central Bank negotiated an adjustment model for all the banks, this time the future administration will seek to discuss the state banks' problems on a case by case basis—for example, a state bank with a good economic situation has liquidity problems as a consequence of its responsibility to roll over state debt certificates. Other banks are in an economically fragile position as well.

A third problem that should be solved before the end of the year is establishment of exchange policy rules. The trend is that the "informal" exchange band system currently implemented by the Central Bank should evolve toward a formal band system. One of the possibilities is that the band floor and ceiling be relatively close but adjustable: Within certain limits or parameters that must be established, the Central Bank would establish a new exchange fluctuation floor and ceiling in keeping with the market behavior of the previous term. Adjustments may still be imposed on the exchange policy, like imposing additional restrictions on the entrance of foreign capital or establishing additional steps to liberate exchange. There is a perception that an adjusted fiscal policy is a precondition for the adjustment of several other items of the exchange policy. All the same, according to a reliable source, some changes to the exchange policy may still be announced before the inauguration of the new president.

Compromise Resolves Impasse on 1995 Budget Allocations

PY1312212494 Sao Paulo GAZETA MERCANTIL in Portuguese 6 Dec 94 p 6

[Article by Marcos Magalhaes in Brasilia]

[FBIS Translated Text] The 1.2 billion reals [R] earmarked by congressmen for collective amendments to the 1995 national budget will be distributed among the states of the union in accordance with a conciliatory formula approved last weekend. The formula gives each state of the union an index equivalent to the average of the figures obtained from the implementation of criteria established in the States Participation Fund [Fundo de Participacao dos Estados—FPE] and the draft bill on the 1993 Budget Guidelines Law (LDO).

Humberto Souto, deputy for the Minas Gerais Liberal Front Party, who is the president of the Joint Budget Committee, said: "The solution met everyone's interests." The new index, Deputy Souto said, resolved the impasse that had been created between the draft bill's rapporteur, Senator Gilberto Miranda (PMDB-AM) [Brazilian Democratic Movement Party, Amazonas], and the assistant rapporteurs. As a result of that resolution the rapporteur can give his opinion on the bill before 16 December, so that the committee can vote on it in one more week.

Distribution of Budget Funds

After long negotiations that continued over the weekend, the Joint Budget Committee members decided to divide the resources the national Congress has the right to reallocate—approximately R2.5 billion—into three parts. The so-called parochial amendments, which are equally divided among all deputies and senators, will total R1 billion of the overall amount; while R300 million more will be used to reinforce the allotments of five regional organizations: Northeast Development Superintendency, Amazon Region Development Superintendency, Manaus Free Trade Zone Superintendency, San Francisco Valley Development Company, and National Department of Drought Control. The remaining R1.2 billion have been reserved for the collective amendments that seek to meet the needs of the states indicated by the elected congressmen and governors. The formula for the distribution of this total has created confrontation between the bill's rapporteur and the seven assistant rapporteurs.

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FPE Index

The assistant rapporteurs defended the use of the FPE index, which favors the poorest states and compensates for their scant revenue. With this index, the northern and northeastern regions would be allocated 77.7 percent of the available resources. The southeastern region would be allocated only 8.48 percent of the resources, and no more than 1 percent would be allocated to Sao Paulo.

Miranda, however, supported the criterion contemplated in the LAO project, which is inversely proportional to revenue but directly proportional to the number of inhabitants living in one region. Based on this criterion, the share for the northern and northeastern regions drops to 56.75 percent, while that of the southeastern region goes up to 24.81 percent. According to Miranda, the new budget should serve the entire country, and not only the poorest regions.

Solomonic Solution

Although the president of the committee agreed to this criterion, Miranda was not able to convince the other rapporteurs of it. Negotiations lasted until 0000 on 2 December, and continued during the meeting held on 3 December. The final solution was Solomonic: The two indexes were added up, the total divided by two, and thus the average was obtained.

In accordance with the new criterion, 45.09 percent of the resources would be allocated to the northeastern region, 22.19 percent to the northern region, 16.64 percent to the southeastern region, 8.42 percent to the southern region, and 7.63 percent to the central-western region. The solution reached by the congressmen allocates to Sao Paulo State resources similar to those allocated to Maranhao State, while Rio de Janeiro State will be allocated less than Tocantins State.

Senate Approves Angra-2 Contract Modifications

PY1412014594 Rio de Janeiro JORNAL DO BRASIL in Portuguese 11 Dec 94 p 17

[FBIS Translated Text] With a quorum of 50 congressmen who were attending a plenary session, the Senate approved last week—in a symbolic voting session—modifications to the loan contract signed between Furnas Electric Power Plants, Inc. and German financial organizations. These modifications make it possible to use $700 million, which had initially been earmarked for the construction of the Angra-3 nuclear plant, to finish the Angra-2 plant.

Since July the Energy Commission of the Rio de Janeiro State Federation of Industries (Firjan) has been pressing congressmen and the federal and state governments to make the decision, in addition to sending a letter to Mines and Energy Minister Delcidio Gomez in October to the same end. With the ruling the Senate approved a decision similar to that made by the Chamber of Deputies in a session held on 23 November, when it approved the bill on Legislative Decree 447/94, which establishes the terms for reallocation of the resources.

Entrepreneur Alvaro Catao, president of the Firjan Energy Commission, asserted: "The funds will now be used to solve some of the problems the government has been facing for the last four years." According to report drafted by the commission, Rio de Janeiro State currently produces only 20 percent of the energy it consumes. The rest is imported from the Itaipu Hydroelectric Plant, nearly 1,000 km from Rio de Janeiro, and from the Furnas Hydroelectric Plant, 400 km from the state.

Chile

Officials Issue Statements on NAFTA Invitation

Frei: Joining NAFTA 'Historic Step'

PY1312184294 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 13 Dec 94

[FBIS Translated Text] President Eduardo Frei returned to Chile today after participating in the Summit of the Americas in Miami. The first statement he made was that the beginning of negotiations to join NAFTA is a historic step.

President Frei and the members of his retinue arrived in the country at approximately 0900. The president was met at the airport by high-ranking government and congressional authorities and the presidents of the member parties of the Coalition of Parties for Democracy [CPPD].

After resuming the presidency, the head of state held a news conference.

Regarding the beginning of negotiations to join NAFTA, Frei said that a difficult process is starting. He voiced his gratitude to the CPPD parties for their support and also to the government of former President Patricio Aylwin.

Frei said that the negotiations that are going to start will take into account the most vulnerable sectors, like agriculture.

[Begin recording] [Frei] I believe that Chile's international panorama not only looks very promising but also has a heavy work agenda. This implies great challenges and the mobilization of many people and understanding of what this process of moving toward the future represents. Therefore, I believe that with the step we have taken, Chile really assumes an international presence and this is why we have begun this unique historical moment for Chile.

[Unidentified reporter] What precautionary measures is the government going to take to safeguard the most vulnerable sectors when we join NAFTA?

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[Frei] They are going to be safeguarded as is done in any country. The industrialized countries are probably the ones that protect those sectors, for example, agriculture, most, therefore, during the negotiations, we are going to take into account the most vulnerable sectors. This is why I said it is going to be a difficult and complex negotiation. Undoubtedly, during those negotiations we must defend the country's interests and, especially, those of the most vulnerable sectors as all developed countries do. [end recording]

Last, President Frei urged all sectors, the workers in particular, to meditate over the meaning for Chile in entering NAFTA negotiations.

Insulza Terms NAFTA 'Great Achievement'

PY1312223694 Madrid EFE in Spanish 1942 GMT 13 Dec 94

[FBIS Translated Text] Santiago, 13 Dec (EFE)—Chilean Foreign Minister Jose Miguel Insulza said today that the invitation for Chile to join NAFTA "was a great achievement that took years of work" but that the "most complex" part begins now.

Insulza, who returned today to Santiago after attending the Summit of the Americas in Miami, said that the country today begins following a difficult path that will end with its full integration into NAFTA, which is made up of the United States, Canada, and Mexico.

Insulza said in a news conference that the terms of the negotiations will determine the degree to which the country will benefit from NAFTA.

Within this context he explained that Chile must, within a short term, carry out two urgent tasks. First, it must form the permanent teams for negotiations, and then establish "a concrete and detailed dialogue with the various internal participants involved in this process."

Insulza made a special mention of businessmen, workers, and Congress. He added that the idea is to attend the NAFTA ministers meeting scheduled for May 1995, when the negotiations will officially begin, "with all of these issues already debated beforehand."

Insulza discarded outright the possibility that Chile would not join NAFTA after this process. He stressed that the terms of the agreement "are adequate for the country" and that what should be negotiated are "the conditions for joining, and the observations or exceptions included in each chapter."

In this regard he clarified, however, that although there is no intention of leaving some sectors unprotected, the idea is not "to put on all kinds of restrictions" either.

In reference to the reticence expressed by some productive sectors, Insulza said that no sectors will be hurt if Chile joins NAFTA, but he admitted that some sectors "such as agriculture and livestock, have expressed more concern than others."

Insulza believes that the previous work with these two sectors and with some of the manufacturing groups will have to be "more intense and precise."

Minister Insulza also said that the support given to Chile by Canada and Mexico to join NAFTA is very important. He added that this support, and the work of some U.S. officials, were "very decisive" in this case.

Regarding the results of the Summit of the Americas, Insulza said that the results went beyond expectations, and that the Action Plan approved in Miami by the 34 leaders "has proposals that will give more vitality to the inter-American system."

Insulza: Talks Continue

PY1312200894 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 13 Dec 94

[FBIS Translated Text] Foreign Minister Jose Miguel Insulza said today that Chile will negotiate joining NAFTA and continue its negotiations to join the Mercosur [Common Market of the South].

Foreign Minister Insulza said the talks with Mercosur members, Argentina, Brazil, Uruguay, and Paraguay, began a long time ago and are much more advanced than with NAFTA, which is just beginning. He said he believes the fast track [two preceeding words in English] will be approved by the Republican majority in the U.S. Congress. He said there is time because the negotiations will be complex. Chile must introduce, as exemptions in the treaty, sectors that are vulnerable to competition from foreign products—especially if these products are subsidized.

Insulza said that—in addition to agricultural products—the vulnerable products are from the manufacturing, textile, leather, and shoe industries.

Economy Minister Considers Tariff Cuts

PY1312195394 Santiago EL MERCURIO in Spanish 3 Dec 94 pp A1, A28

[Article by special correspondent Ester Levinsky]

[FBIS Translated Excerpt] Coihaique—The government is ready to adopt tariff reduction measures if bilateral and multilateral negotiations within the framework of NAFTA, Mercosur [Common Market of the South], APEC, or GATT are protracted more than expected.

This statement was made by Chilean Economy Minister Alvaro Garcia who is attending an inter-ministerial seminar with regional and local officials. [passage omitted]

Garcia explained that some productive sectors sought the tariff reduction measures to compensate for the negative effects of the Central Bank's decision to revalue the peso, which was followed by a drop in the dollar exchange rate.

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The minister added that revaluing the national money increases the need to strengthen our economic competitiveness. This implies greater productivity, especially in those areas that are most affected by exchange measures.

Concerning specific supplementary measures, he said that some instruments are being designed to promote this mechanism. He met with leaders of the Production and Trade Confederation, with all presidents of the productive areas, and they decided to thoroughly analyze ways to concentrate the available instruments in those areas where they are mostly required to develop competitiveness.

He also agreed with business leaders on the need to strengthen the opening of the capital market.

The economy minister said Chile is an especially attractive market for foreign investments. There is also the need to create better conditions to allow Chilean capital to go abroad. [passage omitted]

Minister Garcia said Chile is involved in a great number of international economic negotiations, the most direct impact of which is the reduction of tariffs. He added that no decision has been made yet on a unilateral reduction of tariffs. He said: "I don't think it would be suitable now that we are beginning to negotiate with Mercosur, now that we will probably negotiate with NAFTA, and now that we can begin bilateral negotiations within APEC. If we see in the coming months that those negotiations are too slow, and thus will not have an immediate impact, we could try the alternative of a unilateral reduction. Today our possibilities of growing rapidly within NAFTA and Mercosur are good, and this will have a strong impact on the tariff structure."

He added that, if tariffs are reduced unilaterally, it would reduce Chile's negotiating capacity in these international agreements.

He said that many of the sectors affected today, especially agriculture, an important part of industry, will not necessarily benefit from a tariff reduction. On the contrary, foreign competition would increase on these products.

Alvaro Garcia said there is awareness in the country that opening up to the international economy requires a more competitive manner with lower tariffs.

The minister also ruled out the possibility that the Central Bank might adopt new measures, in a short term at least.

The only possible move would be to strengthen the economic reactivation process through further reductions in interest rates. He explained that all available information shows the reactivation is fully operational, that a cut in the exchange rate will imply increased demand and, for this reason, it is impossible to predict short-term reductions in the interest rate.

He added, however, that if the economy does not reactivate and it does not attain a growth rate of between 5.8 and 6 percent annually, the interest rate may be reduced. [passage omitted]

Official: Joining NAFTA 'Landmark'

PY1312175494 Madrid EFE in Spanish 0208 GMT 13 Dec 94

[FBIS Translated Text] Santiago, 12 Dec (EFE)—Chilean Acting Foreign Minister Mariano Fernandez today said that the official invitation received from the United States, Mexico, and Canada to join the NAFTA is a historic landmark for Chile.

Fernandez pointed out that this invitation should be added to Chile's recent membership in the Asia Pacific Economic Cooperation (APEC); the possibility of joining the Mercosur [Common Market of the South] (made up of Argentina, Brazil, Uruguay, and Paraguay); and the EU's offer to engage in trade negotiations.

Fernandez explained that the member nations of all these groups did not come up with these proposals on their own; Chile had to work for it. He said that it is still early to say whether Chile is ready to be a member of the NAFTA, but the fact is that "we have been fulfilling the objectives that we had set for ourselves."

Fernandez said that because of its implications, the invitation to join the NAFTA is a historical landmark for Chilean foreign relations. He added that something very important has been accomplished, creating a new foreign situation, a new challenge, great opportunities, and also new problems for Chile's foreign relations.

The acting foreign minister explained that the NAFTA is a special international agreement that will require work from all Chileans, and recalled that more than 22 chapters have to be negotiated and discussed.

Aninat: 'Hard Work' Starts Now

PY1312154194 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1000 GMT 13 Dec 94

[FBIS Translated Text] Chilean Finance Minister Eduardo Aninat has stated that joining NAFTA is a very ambitious objective and urged all Chilean sectors—government, opposition, business men, and workers—to make their contribution to attain this goal.

Minister Aninat became a true star in Miami following the official announcement that Chile had been invited to join NAFTA.

Innumerable sectors of the U.S. media approached the minister to learn how a small country like Chile became the first one to be invited to join the most important free trade agreement in the world.

In a very realistic manner, Aninat said that the hard work really begins now. The first technical meetings will

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start next week and by 31 May, everything should be ready to start more exhaustive negotiations.

[Begin Aninat recording] Well, the technical teams of the Finance Ministry and of other ministries will have a busy summer. They will, in fact, have to work almost until Christmas time. [end recording]

Aninat said that once he returns to Chile, he will explain to all sectors the importance of joining NAFTA. He said that every sector will be taken into account, and that the most sensitive sectors of the Chilean economy will not be neglected during the negotiations.

[Begin Aninat recording] We must study the transition process, the deadlines for the transition of the future tax reduction for sensitive sectors. We must carefully assess—and believe me, we will do so—agriculture, determining what is essential and what is coincidental or secondary. We must also be very careful regarding services, although Chile has a great potential in this field, regarding banking services and others, and we must also be very clear regarding mechanisms related to the origin and solution of disputes. [end recording]

Minister Aninat believes the entire country will change. He said that to become the partner of two of the most developed nations of the planet and of an economy as important as that of Mexico will compel the public, private, and labor sectors to renovate themselves, develop, and increase their productivity, as well as compel them to work in a united manner. He explained that this is the only way to take advantage of NAFTA.

Labor Minister Views Workers' Disapproval of NAFTA

PY1312185494 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1000 GMT 13 Dec 94

[Studio interview with Labor Minister Jorge Arrate by Alejandro Guiller—live or recorded]

[FBIS Translated Excerpt] [Guiller] Good morning, Minister.

[Arrate] Good morning.

[Guiller] Well, the CUT [United Workers Confederation] seems rather upset. Have you found out why?

[Arrate] As a rule, I am very cautious about giving an opinion on the CUT's reasons, but what I can tell you is that for some time now it has systematically proposed the need to speed up certain reforms to the labor law, but we have disagreed on the timetables for these reforms. In the second place, they have objected to Chile's entry into NAFTA.

[Guiller] What is their concern about NAFTA? The funny thing is that the businessmen are in favor of joining this agreement but the labor organizations are more reticent. Will it entail dismissals, the implementation of other measures?

[Arrate] No. I understand that their main proposal, instead of joining a previously negotiated treaty—like NAFTA, for example—was bilateral negotiations with the United States for a new treaty in which the CUT and the U.S. labor unions' aspirations are included as social and labor clauses.

[Guiller] What exactly does this mean?

[Arrate] The purpose is to tie, to a certain degree, the expansion of trade to the fulfillment of certain minimum labor standards. This, at first sight, may seem reasonable, but unfortunately the case in the current world is that in view of a possible commercial expansion, some countries may use this rather than customs tariffs to obstruct free trade and then use it to the detriment of the countries that have better conditions to compete. Therefore, the government believes that the best option is the one attained in Miami, which is a truly significant achievement. The importance of this achievement is reflected in all headlines of the continent's media today and will allow us, I believe, if we use this alternative properly, to contribute to a greater equity in Chile, which is what the labor unions really seek.

[Guiller] But there is some fear that small and medium-sized enterprises may encounter some difficulties in this open competition and that this may result in unemployment. Does this possibility exist? What has to be done to solve it?

[Arrate] Any commercial integration treaty has global benefits but, in principle, these benefits are not distributed evenly. Consequently, some sectors are affected negatively. Just look at any integration treaty—the European Union, which currently is the oldest of its kind, and the impact it has had on the agriculture of certain countries, the way in which certain sectors have received preferential treatment, is an example. The commercial treaties, by opening borders to trade, have a greater impact on the less competitive sectors, therefore, it is true a free trade agreement has its impact. The matter is how all Chilean sectors—workers, businessmen, government, all the various sectors—sit around the same negotiating with a nationalist attitude and try to see how to prevent that impact from having painful effects on Chileans who do not deserve it and that the benefits of the trade not only favor of a small group.

[Guiller] Minister, I do not want to sound pessimistic, but some are leaving the table. At least the CUT has withdrawn from the economic commission and refused to accompany the president of the Republic to the United States. Why did this happen?

[Arrate] I think it is regrettable that the CUT has decided to withdraw from the three-party economic comission, from the productive development forum, because I believe we must jointly decide not to eliminate dialogue from our relationship. I believe a dialogue is not possible if it is doomed by the threat that it will be broken from

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one moment to the next. Dialogue was invented to agree or disagree, but it must exist, and in this sense I believe the CUT is mistaken.

[Guiller] One of the subjects that concerns the workers most, because they have stated that the economic aspect is not so important, is the labor commissions that have been discussing some reforms to the labor code for some time now. Are those famous reforms going to be implemented, and what do they entail?

[Arrate] They will be implemented and very soon. Moreover, these reforms are contained in an agenda, in a timetable we published in May and adjusted in July, of which everyone is aware. So nobody should be surprised by what the Labor Ministry has been or is doing. These reforms are, basically, the ones contained in the government program. The government of the Coalition of Parties for Democracy is going to fulfill its government program and I believe this shouldn't surprise anyone. [passage omitted]

Impact of NAFTA Membership Assessed

PY1312155794 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1000 GMT 13 Dec 94

[FBIS Translated Excerpt] The invitation extended to Chile to join NAFTA is one if its most significant diplomatic achievements. What remains now are the negotiations in this direction, which will take a little more than one year. However, there are a few people who doubt that all Chileans will benefit with the increase of exports and investments in our country.

It is believed that joining NAFTA will have an unfair impact on various social sectors. The answer as to who may and may not benefit can probably be found in the following special report by (Raul Zorro), expert on international affairs:

[Begin recording] [(Zorro)] The consensus in Latin America is that Chile is the country that most benefited at the Summit of the Americas.

Our country received a firm promise from U.S. President Bill Clinton that it will be able to join NAFTA, together with the United States, Canada, and Mexico.

But what does joining NAFTA mean? In the opinion of certain business sectors linked to the United States, it is the best thing that could have happened to Chile.

[Claudio Garcia, representative of the Chilean-U.S. Chamber of Commerce] I believe that as a result of joining NAFTA, Chilean exports to the United States should increase by 50 percent during the first three years. [passage omitted]

[(Zorro)] Not only will more U.S. capital flow into Chile; the quality of investments will also improve. Currently most resources are invested in raw material in areas such as mining and forestry. These basic products are exported with little added value, and in some cases they only generate poorly paid job opportunities. Some Chilean authorities believes this situation may change.

[Eduardo Moyano, vice president of the Foreign Investments Committee] The type of investments Chile receives will change. The foreign investments in Chile will be reorganized once it joins NAFTA. Investments in the natural resources field will probably experience a relative decline—this is not an absolute decline—while investments in more industrialized sectors involving greater levels of technology and in services will experience a relative increase.

[(Zorro)] However, there are reasons to be somewhat cautious. Joining NAFTA means that the United States will lower its customs tariffs for Chilean products, which then will be cheaper, thereby spurring greater demand in the United States.

Even more the case, Chile, in turn, will have to open its market to U.S. products that will arrive at lower prices. Who will receive more benefit from this deal—the United States or Chile?

As for the industrial sector, it is obvious that NAFTA will favor the strongest. It will benefit the most modern enterprises that are already competing in the international market, but many small and medium enterprises will be seriously affected. [passage omitted]

Many farmers fear they will not be able to compete.

[Alejandro Chadwick, representative of the Mataquito Farmers Association] I do not want to sound pessimistic, but for traditional farmers it is almost as good as dying. I frankly believe that NAFTA is not appropriate for agriculture. It is quite likely that it will benefit agroindustry and the country as a whole, but those are different sectors. We all live in the same country but carry out different activities.

[(Zorro)] If it is a matter of competing in the international market, Chile's Achilles heel is its poor educational level. [passage omitted]

Workers and wage earners represented by the United Workers Confederation [CUT] are trully concerned. This is why they rejected the invitation extended by President Eduardo Frei to attend the Miami Summit.

[CUT Vice President Arturo Martinez] We were invited to attend the Miami Summit, with the offer of round-trip fares aboard the same plane on which the president was traveling, but the CUT and its executive board decided not to participate because for a long time now we have being saying we are against Chile joining NAFTA. I believe a significant number of job opportunities will be lost in the short term. During the first two years I believe more than 10,000 job opportunities will be lost. Therefore, we demand more information, that the people not just be told that it is an achievement, that they be given more information, that a debate be held and that all

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Chileans be allowed to make a decision, not only some few who make decisions that benefit a particular group.

[(Zorro)] Joining NAFTA entails negotiations that are not foreseen as an easy task, and that could well take all of 1995. It is very important for Chile to keep its doors open to other agreements. The Andean Pact and Mercosur [Common Market of the South]—whose main partners are Argentina and Brazil—are very important for Chile's economic future and the prospects of physical integration.

[Foreign Minister Jose Miguel Insulza] I don't think anybody believes that, in the search for a free trade agreement for the hemisphere, all the existing agreements will disappear suddenly.

[(Zorro)] The debate regarding NAFTA's impact on the country and each of its sectors has just begun. It is a process in which all those affected must give their opinion because the international negotiations are conducted precisely to set the deadlines and terms according to the possibilities of the various protagonists. [end recording]

Unemployment Rises in Third Quarter

95P20256A Santiago EL MERCURIO in Spanish 3 Nov 94 p B1

[Text] The national unemployment rate rose to an average of 6.7 percent in the July-September quarter, 1.7 points above the rate for the same period last year. This involves a loss of 100,860 jobs in the economy during the past year, according to figures from the National Statistics Institute (INE). Contrary to what the authorities had anticipated, the 6.5 percent rate of the previous two quarters was not the highest level, from which unemployment would begin to drop.

Comparing the July-September results with the same period of last year, the construction and manufacturing industries, as well as the community, social and personal services sectors, show a loss of 160,000 jobs. This drop was lessened by the creation of about 60,000 new jobs in other sectors, which gave a net loss of 100,000 jobs.

INE expressed its concern about the high rate of unemployment, which had not been seen since July 1991, although INE insisted that this movement should be reversed as the macroeconomic predictions are fulfilled. The macroeconomists have said that the last quarter of the year will be the start of a cycle of greater economic activity, with the subsequent effect on employment.

In the July-September quarter of this year, the work force nationwide totaled 5,141,430 people, a 0.4 percent decrease compared to the same quarter of last year; that is, 18,620 fewer people. The number of employed reached 4,798,930, a 2.1 percent drop compared to the same quarter of 1993, which represents a decrease of 100,860 jobs.

Comparing the figures with the same period of last year, one can see that unemployment has increased in nine regions: the First, Second, Fourth, Fifth, Sixth, Seventh, Tenth, Twelfth, and the Metropolitan Region. It has dropped in the Third, Eighth, Ninth and Eleventh Regions. The unemployment rate increased from 4.7 percent to 6.8 percent among men and from 5.7 percent to 6.3 percent among women.

[The article includes a table on the unemployment rate by region, as follows: Region I, 6.3 percent; Region II, 4.7 percent; Region III, 3.3 percent; Region IV, 7.3 percent; Region V, 7.8 percent; Region VI, 6.6 percent; Region VII, 6.8 percent; Region VIII, 7.4 percent; Region IX, 5.7 percent; Region X, 5.0 percent; Region XI, 2.3 percent; Region XII, 3.1 percent; Metropolitan Region, 6.9 percent. A table also shows unemployment by age group compared with the third quarter of 1993, as follows: ages 15-24, 15.1 percent, up 3.8 points; ages 25-34, 7.1 percent, up 1.8 points; ages 35-44, 3.9 percent, up 0.5 points; ages 45-54, 3.9 percent, up 1.5 points; ages 55-64, 3.2 percent, up 0.7 points.]

Colombia

Police on Alert Due to Bomb, Bus Strike

PA1412015594 Mexico City NOTIMEX in Spanish 1731 GMT 13 Dec 94

[FBIS Translated Text] Santa Fe de Bogota, 13 Dec (NOTIMEX)—The explosion of two medium-intensity bombs in the Colombian capital has placed local police on alert. The police had been preparing for a transportation strike set to begin in the early morning hours of 14 December.

Just as the owners of approximately 23,000 buses announced the protest action, presumed rebel commandos detonated two explosive devices, one in a traffic unit and another in an urban police station. There were no reports of victims, but the blasts did cause material damage.

The transportation workers are protesting a contract signed between the mayor of Santa Fe de Bogota and two foreign companies for the construction and operation of four exclusive bus lines in the capital. The service is set to begin within 20 months.

The government has warned it would apply stiff penalties upon those owners and companies that refuse to provide their services on 14 December if the strike goes on. The penalties could include the cancellation of driver and operation licenses.

The protest organizers have reaffirmed their decision to park their vehicles as of midnight Tuesday despite official warnings. They have threatened to extend the strike if the executive branch does not change its plans to build the new public transportation system.

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The police command has announced it has placed all its personnel on maximum alert in light of the rumors of a guerrilla plan to attack military garrisons and traffic units during tomorrow's strike.

Policemen have searched several areas around the capital city and found and defused a bomb placed near a transportation union financial orgar ization.

Jaime Castro, mayor of Santa Fe de Bogota, has called the strike illegal. He has called on transportation workers to suspend the strike in order to prevent any disturbance of the peace.

Public Order Worsens in San Jose del Guaviare

PA1312195994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 13 Dec 94

[From the "National Newscast"]

[FBIS Translated Text] The public order situation in San Jose del Guaviare has gotten worse. Six soldiers were seriously wounded in a clash with guerrillas of the Seventh Front of the FARC [Revolutionary Armed Forces of Colombia]. Colonel Leonardo Gallego, commander of the Counternarcotics Police, has been unable to leave the zone because of the pressures by the guerrillas. Approximately 700 soldiers have established a cordon around San Jose del Guaviare. Meanwhile, the government has stated it will not send any commission to speak with the demonstrators and that if they want to hold talks, they will have to send representatives to Santa Fe de Bogota.

The murder of a police counternarcotics lieutenant and military intelligence reports about the presence of snipers in San Jose del Guaviare and Miraflores ruled out the trip by the government commission to the zone to hold talks with the protesters.

[Begin Government Minister Horacio Serpa Uribe recording, identified by caption] We have proposed that a commission from the peasants and people on strike come to Santa Fe de Bogota. We have plans for the replacement of crops and proposals dealing with the social aspects. The large coca fields, which are the result of an action by drug traffickers, must be eradicated. [end recording]

The government has clearly stated that it will not stop spraying the coca, first because of the international implications, and second because of the commitment to end drug trafficking and the guerrilla movements, which, according to the Army, are behind this strike.

Meanwhile, the Army is preparing a new contingent based in Villavicencio to be ready to react to the narcoguerrilla actions in Guaviare.

Paraguay

Wasmosy: Summit Showed 'New Image of Paraguay'

PY1312151594 Asuncion ABC COLOR in Spanish 13 Dec 94 p 4

[FBIS Translated Text] President Juan Carlos Wasmosy pointed out on 12 December that the hemispheric summit served to show the new image of Paraguay. The president returned from Miami, the United States, yesterday. He emphasized the preferential treatment received by the Paraguayan delegation and the commitment agreed to by all the presidents to enhance democratic processes and face the social scourges undermining this new period experienced by countries in our hemisphere.

Assessing the summit's development, Wasmosy told journalists: "This summit actually served to show the new image, the new face, of Paraguay and this is something positive. Paraguay had not been taken into account before."

Wasmosy said Paraguay received special attention from U.S. President Bill Clinton. He added that the U.S. President's wife also expressed her empathy toward Mrs. Teresa Carrasco de Wasmosy, a situation that prompted the selection of Paraguay as the venue for a first ladies meeting scheduled for October 1995.

Wasmosy noted that all the participating presidents agreed that democracy will be possible if human rights are respected. He said: "We unanimously agreed that, in order to strengthen democracy, human rights must be promoted and protected and societies and the role of community participation, in particular, must be strengthened. We also agreed that the promotion of cultural values, the struggle against corruption, the struggle against the problem of illicit drugs, the removal of threats posed by national and international terrorism, and the promotion of mutual trust have a substantial impact and influence on the presence of democracy in all countries."

The president emphasized that, after the Miami summit, a period of distrust among hemispheric countries has ended. He emphasized: "This does not represent the crowning of a process, but the beginning of a new era: the era of the Americas under the spirit of Miami. This is the first time in history that 34 heads of state of democratic governments met and that, despite the different levels of development, the various countries emphasized the changes supported not only under a representative democracy, but also under a participative democracy."

Wasmosy emphasized the agreement achieved among all the presidents on the need to implement changes through open markets, integration, training, and sustainable development to fight the evil of poverty and unemployment.

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Wasmosy pointed out: "We want development with equity and respect for ecology, but without damaging or lowering the standard of living of the inhabitants of all our countries."

Wasmosy noted: "This summit was held in a historic context marked by the end of the Cold War, the lost decade of the 1980's, the painful lessons received from the adjustment processes experienced by societies, and the economic and political stability of all our countries."

Summit Plan Without Trade Borders 'Seems Too Generous'

PY1312214894 Asuncion NOTICIAS in Spanish 13 Dec 94 p 20

[Editorial: "The Summit of the Americas"]

[FBIS Translated Text] The Summit of the Americas, which ended over the past weekend in Miami, was billed as the most serious attempt to integrate the hemisphere in the past few decades. The ambitious goals outlined and the unprecedented fact that the United States hosted and advocated it enhanced the meeting by making it different and very auspicious.

But it is inevitable that comparisons must be made: The meetings in Punta del Este [Uruguay] and in Panama were held under very different political circumstances. The meeting in Panama in 1955 was basically a summit of generals who happened to be presidents. That was the time when most of the continent was ruled by military governments that emerged from the framework of the Cold War, which at that time was at its height.

The 1967 conference in Punta del Este was similar, but this time within the framework of the anti-guerrilla struggle which was just beginning to become more generalized in the region. Bolivia was experiencing the incursion of Che Guevara, which was only the start of other even more dramatic experiences that brought incredible violence to the region. That left a traumatic result of hundreds of thousands of dead and missing people. All this plus the economic destruction and the postponement of social programs that without doubt are the outcome of this type of conflict.

This time the context was peaceful. All conflicts have ended and for the first time in a very long spell America is experiencing an atmosphere of peace without international conflicts or internal wars. It is very important to point out that all the presidents at this summit were elected by the people. This is a trailblazing fact that confers a political and moral force on the solemn commitments made in Miami.

Is this historical and political setting sufficient to ensure an America without trade borders by the year 2005? This objective—announced by the presidents—seems too generous, above all if the relatively short period from the closing of the summit to the year 2005 is considered. There are too many big and small decisions that must be made, and the process of harmonizing policies and norms that must be implemented are very complex.

The challenge is immense. What can be understood from the summit is that for the first time a goal like this has been established at a meeting as important as the Miami Summit. In light of the defeat of vital ideological, military, and political struggles of the 20th century, a united effort must be made to design an imminent 21st century with its promising prospects for all humanity.

Peru

Fujimori Speaks at Chorrillos Military School

PY1312192994 Lima Global de Television Network in Spanish 0158 GMT 13 Dec 94

[FBIS Translated Excerpt] President Alberto Fujimori today attended the 99th commencement ceremony of the Chorrillos Military School. Also present were Defense Minister Victor Malca Villanueva, who handed swords and sabers to officers from the various Armed Forces branches; and General Nicolas de Bari Hermoza Rios, chairman of the Armed Forces Joint Command, who swore in the members of the Carlos Minano Hermosilla class. [passage omitted]

In his speech, President Fujimori said that Peru is one of five countries experiencing the greatest economic growth in the world. He also said that we have won the battle against international economic isolation.

He also referred to terrorism and narcotrafficking, which seek to infiltrate national institutions in order to maintain their presence in Peruvian society.

[Begin Fujimori recording] The country which yesterday was submerged in uncertainty is today one of five countries experiencing the greatest economic growth in the world. This has been achieved in only five years.

We have not yet won the war, but we are able to grow as a nation. This is because today we have a civilian population that is again working in peace, and has regained its confidence; and an Armed Forces with very high morale. I say that the war is not over, because as a country we still have to consolidate the national reconstruction and establish the basis for achieving the integral development of Peru.

Drug trafficking has no fatherland or national banners [passage indistinct] does not have it, however (?it challenges the state) [passage indistinct] and many times infiltrates its institutions to ensure its survival by buying souls, and by perverting and corrupting people. In view of this it is necessary to build a modern and efficient state with competent institutions.

I hereby close the 1994 academic year of the Chorrillos Military School. [end recording]

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Military Said To Kill Traffickers, Sell Drugs

95WD0081A Lima LA REPUBLICA in Spanish 24 Oct 94 pp 15-17

[Article by Angel Paez: "Military Personnel Kill Narcotics Traffickers and Sell Drugs Seized; Deliver Only Some of the Drugs to the Office of the Public Prosecutor and to DEA"]

[FBIS Translated Text] The narcotics traffickers were carrying 300 kg of cocaine base packed in eight bags in two packages. They were murdered on 29 October 1992 in Balsayacu by order of a technician named "Puchuco," whose actual name is Aurelio Herrera Caceres.

By order of General Eduardo Bellido Mora, the commander of the Huallaga Valley Front, Colonel Eduardo Alvarado Revoredo, the director of intelligence, and Major Walter Bueno Castillo, the director of operations, began an investigation into the incident. On 31 October and on 1-2 November they carried out "Special Operation Motocross" with the following objectives: to cover up the murder of the traffickers, fabricate a story about a "settlement of accounts" alleged to have taken place between Shining Path guerrillas and narcotics traffickers to excuse the deaths of the Shining Path supporters, and recover all of the drugs that the traffickers had been carrying.

However, between 31 October and 1 November, apparently outside the scope of the operation, Luis Aparicio Manrique, also known as Commander "Alfonso," the chief of the post at Tocache, ordered Victor Penas Sandoval, also known as Captain "Atila," the chief of the base at Balsayacu, to seize the cocaine paste which Werner Huamani Tipismana, also known as Lieutenant "Ninja," had hidden in the bushes. Cdr. "Alfonso" was waiting for orders from his superior officers, who were to inform the Office of the Public Prosecutor and DEA [U.S. Drug Enforcement Agency].

In turn "Atila" ordered Lt. "Fernando," also known as Rosenberg Sarmiento Salazar, and Fernando Marquina, also known as Sergeant "Josmar," to assemble a unit of troops who knew the place where the eight sacks of cocaine base were hidden and to go there to recover it and sell it on their own account.

According to the version provided by Lt. "Fernando," they were only able to find three sacks of drugs, which they delivered personally to Cpt. "Atila," who sold it, according to what he told a military court, for $8,230, in response to orders from Cdr. "Alfonso."

Cpt. "Atila" added that he invested this money in the farm owned by the troops. However, Cdr. "Alfonso" denied that he had ever authorized the chief of the base at Balsayacu to sell the cocaine paste. Despite the testimony of numerous witnesses against him, Cdr. "Alfonso" was absolved of responsibility in this connection.

For this reason, on 1 November when Lt. "Ninja" returned to the place where he had hidden the drugs, carrying out the orders approved for "Special Operation Motocross," he turned over only five sacks to Commander Bueno Castillo on 2 November.

In the presence of Lt. "Ninja" and several non commissioned officers, including non commissioned officers from the unit, Bueno Castillo—who had reached Boca del Balsayacu, the place involved, in a helicopter which also carried Colonel Eduardo Alvarado Revoredo—Bueno Castillo turned over three sacks to "La Negra" [The Black Person], a narcotics trafficker who had arrived in two small aircraft with his bodyguards. This left Bueno Castillo with two sacks of narcotics base, from which he removed only 36 kg to turn over to Col. Alvarado Revoredo. The colonel finally gave them to the antinarcotics police from the base at Santa Lucia, making it look as if this was cocaine base seized from Shining Path guerrillas who supposedly had killed the eight narcotics traffickers.

Nevertheless, in spite of testimony from various other persons Bueno Castillo and Alvarado Revoredo denied to the military court that they had negotiated for five sacks of drugs. The court believed them.

During testimony before the court Bueno Castillo was asked: "When you were there (in Boca del Balsayacu), was a small aircraft sighted near the place?" He answered: "No, general, there was no small aircraft." He was asked: "Did you turn over three sacks of drugs (to "La Negra")?" He answered: "I did not turn anything over to anyone, general. All of that is totally false." He was asked: "Well, do you think that there has been a general plot against you?" He replied: "No, it is not a plot. This was something fabricated by Colonel Inspector "Lucho" (Oscar Cordova Reyes) when he was interrogating Lt. 'Ninja'".

The chairman of the military court interrupted him: "Just a moment. The court has heard testimony from unit personnel, including non commissioned officers, and officers. (They mentioned) two small aircraft and said that you personally turned over three sacks of drugs." He replied: "The officers and non commissioned officers and the men of the unit do not have the moral authority to make accusations of that kind against me." He was asked: "You deny those statements?" He replied: "I deny them completely, general."

The word of Cdr. Bueno Castillo was considered good enough, with the result that he was sentenced to only two years in prison.

Truthful Lies

Col. Alvarado Revoredo testified in a similar way, he was also believed, and he was sentenced to a year and a half in prison.

During his testimony Alvarado Revoredo said that he enjoyed the confidence of General Bellido Mora. For

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that reason he, like Bueno Castillo, urged the court to investigate the killings at Balsayacu and the implementation of "Special Operation Motocross." Alvarado replied as follows to the questions asked him:

"Did Gen. Bellido consider you a person worthy of confidence?" He answered: "He always did, general, he always did. I think that he had confidence in me. " He was asked: "When did Gen. Bellido begin to lose confidence in you?"

He replied: "The commanding general of the Army (General Nicolas Hermoza Rios, who had been informed about these events, according to the testimony of Cdr. "Alfonso") had stated that there was a difference of views about what happened in Balsayacu, and Col. "Juan" (Alvarado Revoredo), Cdr. "Walter" (Bueno Castillo), and Lt. "Ninja" were involved in it. It was then that Gen. Bellido began to withdraw from the affair, to some extent." Furthermore, Gen. Bellido said that Cdr. "Alfonso" had telephoned him and said: "Gen. Bellido, General Hermoza has called me in to ask me about the affair in Balsayacu. And I have told him the truth." Gen. Bellido said: "I do not know what truth Cdr. 'Alfonso' is referring to." Alvarado Revoredo said: "That is when Gen. Bellido began to keep his distance from the matter."

Cdr. Bueno Castillo was also asked why he thought that Gen. Bellido, who also had a great deal of confidence in him, had denounced his behavior. In his reply, Bueno Castillo made a disturbing denunciation of Cdr. "Alfonso" which inexplicably has not been investigated.

He was asked: "Why do you think that the commanding general (Bellido Mora) denounced you when you apparently had carried out the operations plan?" Bueno Castillo replied: "It is very simple, general. I had been chief of operations of the Huallaga Valley Front for one year. I was an analyst and evaluator of operations. I knew which operations were directed against the subversives and which were of another type. In July 1992, due to the inactivity of Sion Base, I withdrew personnel from there because that base was not involved in operations against the subversives. Sion Base was a center for the narcotics traffic. And what happened at the base at Balsayacu is proof of that. The base at Balsayacu was established as a function of the base at Sion. The subversives were not on that side of the Huallaga Valley. They were on the other side, between Polvora and San Martin." o63 The chairman of the military court impatiently insisted: "I will repeat my question. Why do you think that the commanding general of the Leoncio Prado detachment (the base of the Huallaga Valley Front) has denounced you?"

Bueno Castillo replied: "I am getting to that, general. Batallions BCS 30 (Tarapoto, led by Victor Taboada Hoyos), BCS 26 (Tocache), and 313 were operating against the Shining Path guerrillas. And that is where we had the most problems. However, the fundamental difficulty was the narcotics traffic, which they were not fighting against. Then I began to attack those bases which were not operating against the narcotics traffic. For that reason I attracted the resentment of the leaders of BCS 26 (Cdr. "Alfonso") and BCS 30. And when I discovered that there was a leakage of drugs in BCS 30, involving flights carrying drugs from Saposoa to Colombia, I submitted the denunciation involved. Those documents should have gone to the commanding general. At that time Cdr. "Alfonso" had already informed Gen. Eduardo Bellido Mora and had given him his view of the situation. I have told you that he was a good man and that we made $200,000."

The president of the military court said: "Just a moment. So far the testimony of Cdr. 'Alfonso' about the drug seizure agrees with yours. It agrees fully." Bueno Castillo asked: "In what sense, sir?" The president of the military court said: "It agrees, in the sense that there have been no antisubversive operations and that there has been no clash with the narcotics traffickers, because that was all made up. You agree that a patrol attacked a group of narcotics traffickers and that you took the drugs away from them." (There is no discrepancy with the testimony) of Cdr. 'Alfonso.' So how can you say that Cdr. 'Alfonso' gave another version of these events to Gen. Bellido?"

Bueno Castillo said: "I do not understand you, general." The general asked: "I refer to what you have told the court and what Cdr. 'Alfonso' has said." Bueno Castillo said: "At the hearing 'Alfonso' said one thing. However, in his written statement you are going to find that all of his resentment is directed against me. He even mentioned the Campanilla affair where, according to him, they said that they would pay $100,000 if Col. Alvarado Revoredo and I were killed. This is very different from what you have said here. But now that you have seen how serious things are, he has retracted his testimony."

The president of the military court said: "Then I gather that the general denounced him because the battalion commanders were sinking their claws into you."

Bueno Castillo replied: "That is not the case, general. I was interfering with the illegal activities of the commanders of BCS 30 and 26. Then the only thing that they have done is to fill the mind of the general (Bellido Mora) with gossip and fictitious reports so that the general would lose confidence in me and make him believe that he was going to be involved in the case of the eight dead people. And they told him that they could save him if they blamed us for everything."

Exercise of Doubt

Nevertheless, "they did not blame everything" on Alvarado Revoredo and Bueno Castillo but on Lt. "Ninja," who was sentenced to 12 years in prison for a crime which he did not commit—the murder of the eight narcotics traffickers. Also blamed were three simple soldiers who were forced to kill the narcotics traffickers

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on the orders of "Puchuco," the military technician who even threatened to kill them if they did not carry out his orders.

Subsequently, Cdr. Bueno Castillo approved a report to Gen. Bellido Mora on "Special Operation Motocross," dated 8 November 1992 and bearing the reference number 07-80/F-H/07.00.

Bueno Castillo was first given a rough draft ("borradora" in military jargon). He approved it, and the commander made a final copy. LA REPUBLICA has had access to that document, in which the commander falsified the facts to justify the alleged seizure of 36 kg of drugs.

At the trial Bueno Castillo stated that it was Lt. "Ninja" who delivered to him that quantity of cocaine base. However, in the report which he sent to Gen. Bellido Mora, he stated: "I found an abandoned house where there was a freezer with gas tanks and nine polyethylene bags sealed with brown, insulation tape (containing the drugs)."

Gen. Bellido Mora referred to this report when he stated that he was deceived by Bueno Castillo. However, in the document one can read clearly that the chief of operations told the general that the narcotics traffickers were murdered by military personnel and not by Shining Path guerrillas. The report states: "The family members (of the victims) stated that it was Army personnel who killed the individuals concerned." Therefore, Bueno Castillo and Alvarado Revoredo are telling the truth when they say that they never stated that the eight persons were killed in a "settlement of accounts" between Shining Path guerrillas and drug traffickers. This idea came from Gen. Bellido Mora.

In this respect Cdr. Bueno Castillo was asked: "After the special operation was concluded, did you talk with Gen. Bellido Mora?" He replied: "Yes, on 3 November 1992. We arrived in Tarapoto at 1500. We went right into the office of the general. Col. Alvarado reported to him on everything that had been done. The general told us: "Yes, very well. Now prepare a fictitious story and redo your papers for the meeting of the command."

Cdr. Bueno Castillo was asked: "And on the following day, Cdr. Bueno, did you present the report which you were asked to write the previous day?" He answered: "Yes, general. On the following day I presented the report because the general is very o*3 meticulous. He needed to review the documents and correct them to make sure that they agreed with the version contained in the report."

Bueno Castillo was asked: "Is the draft report which you submitted the same as the one which the general reviewed and corrected and which is now part of the court record?" He answered: "It is the same." He was asked: "Is it the same draft which the general gave you to have a clean copy prepared?" He replied: "On 4 November I delivered the draft. The general made just a few corrections and then turned it over to me to have a final copy made."

Bueno Castillo continued: "Gen. Bellido Mora has said that Cdr. Bueno Castillo surprised him with that report. Nevertheless, Cdr. 'Alfonso' had given him another version of the events at Balsayacu. However, Gen. Bellido Mora also approved the report prepared by Bueno Castillo."

Cdr. "Alfonso" informed Gen. Bellido Mora on 5 November (three days before Cdr. Bueno Castillo presented his own report) about what had happened in Balsayacu and the special operation. The question is, did Gen. Bellido Mora raise a question about anything in it?

Another of the facts which involve Gen. Bellido and which did not attract much interest at the trial before the military court was the general's decision to turn the investigation over to Col. Alvarado Revoredo and Cdr. Bueno Castillo, and not to Colonel Ismael Bellina, the inspector general of the Huallaga Valley Front, as the regulations provide.

Justice on Parade

At the trial Cdr. Bueno Castillo admitted that this was not his job to do, but he accepted it when ordered to do so by Gen. Bellido Mora. He was asked: "Explain why, when you did not belong to the Office of the Inspector General, you went with Col. Alvarado Revoredo to investigate what happened." He replied: "It was not my job to conduct investigations. However, the general had great confidence in me and in all of what I have done. I have carried out many special operations which have had a major impact, using strictly confidential documents. It was because of this confidence that he ordered me to investigate this matter. I knew what I was doing when I obeyed that order."

During the trial Cdr. Bueno Castillo accused several of his colleagues of personally benefiting from the narcotics traffic. He hastened to say before the court that he had reported on all of those matters to Gen. Bellido Mora. He was asked: "Did you ever report to Gen. Bellido about this series of events involving the narcotics traffic, in which Army personnel were involved?"

Cdr. Bueno Castillo replied: "I have informed him, not on one but on many occasions. Therefore, there have been changes at several o-3 bases which were contaminated with the narcotics traffic."

He was asked: "So does that mean that you brought to the attention of the general the true facts involved in these events before the special operation took place? Answer 'Yes' or 'No.'" He answered: "Yes, general."

He was asked: "Cdr. Bueno Castillo, did you mean to say this morning that not everyone is present at this trial who should be here?" He replied: "That is true, general. The truly guilty parties are not here."

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However, the Supreme Council of Military Justice trained all of its guns against Lt. "Ninja," sentencing him to 12 years in prison. It allowed itself the luxury of not calling Gen. Bellido Mora to appear before it at a public session, despite a series of indications of his involvement.

Uruguay

Lacalle Concerned Sao Paulo Forum To Meet in Montevideo

PY1312215194 Buenos Aires TELAM in Spanish 1902 GMT 13 Dec 94

[Report by unidentified correspondent]

[FBIS Translated Text] Montevideo, 13 Dec (TELAM)--Uruguayan President Luis Alberto Lacalle today expressed concern about the conference of the Sao Paulo Forum, a meeting of Latin American leftist forces in Montevideo in April 1995.

Lacalle said that although the meeting will be held during the tenure of his successor, President-elect Julio Maria Sanguinetti, "I am very concerned because I am notoriously opposed to those types of organizations."

He added: "Although I cannot compromise Sanguinetti, the topic will be discussed during the talks I will have with the future president to discuss the transition."

Sources close to Sanguinetti told TELAM-SNI: "There is concern about the meeting of the Sao Paulo Forum, because initially it was scheduled for March, at the same time as the inauguration."

They added: "If the meeting were held in March, several chiefs of state from throughout the world would be in Montevideo at the same time as ultra-leftist leaders and former Latin American guerrillas."

The Sao Paulo Forum was created in Sao Paulo (Brazil) in 1990, when 50 Latin American and Caribbean leftist organizations met at the insistence of the Workers Party, headed by Luiz Inacio Lula da Silva.

The Party of the Democratic Revolution (PDR) of Mexico, headed by Cuathemoc Cardenas, called for a meeting a year later and the Sao Paulo Forum decided to meet in Mexico with 70 other leftist organizations of the region.

The third meeting was held in Managua [Nicaragua] in 1992--organized by the Sandinist National Liberation Front to commemorate the 13th anniversary of the Sandinist revolution.

Another meeting of the Sao Paulo Forum was held in 1993 in Havana to commemorate the 40th anniversary of the Moncada Barracks assault.

On that occasion 120 organizations participated and the congress was closed by Cuban President Fidel Castro, who called for "the unity of the left in assuming power, and urged that no one retreat from the scope of the revolution."

On that occasion the Uruguayan leftist coalition Broad Front was charged with organizing the next congress, in Montevideo.

The Sao Paulo Forum includes, among others, the Grand Front of Argentina, the National Liberation Movement-Tupamaros Faction and the Socialist Party of Uruguay, the Free Bolivia Movement of Bolivia, the Cuban Communist Party, and the Movement Toward Socialism of Venezuela.

Venezuela

Development Minister Views Miami Summit, Budget Issues

PA1412035494 Caracas Venevision Television Network in Spanish 1030 GMT 13 Dec 94

[Interview with Development Minister Alberto Poletto by Carlos Fernandez in the network studio in Caracas--live]

[FBIS Translated Excerpt] [Fernandez] Development Minister Alberto Poletto is with us. I believe it is worthwhile to begin by examining the economic path taken during 1994 and also reviewing the basic guidelines set for 1995.

The hemispheric summit has just concluded, and the president of the Republic held a news conference in Miami. He defined a series of popnts which I believe helped clarify doubts on what the 1995 strategy could be. Only yesterday, when addressing the formal closing of Congress, the president insisted on his position that it is possible to come out ahead and to improve the economy despite adversaries and certain foreboding voices.

Alberto Poletto accompanied the president to the Summit of the Americas. I also believe his experience, criterion, and guidelines can be fundamental for us to see whether things could look better for us in 1995. Is this so, Mr. Minister? Welcome.

[Poletto] Thanks, Carlos. Many thanks for the invitation. Next year is certainly a promising year. It will be a year during which we expect to achieve the much sought-after stabilization, and this is exactly where we are headed.

I wanted to begin by analyzing, as you said, the hemispheric summit, which is a current topic of discussion. I feel very proud to have been part of the Venezuelan delegation. This event will become a historic landmark for the next 20 or 30 years, very much as the Punta del Este conference did at the time, approximately 27 years ago in Uruguay.

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The United States and Central American countries agreed to a plan of action that is more than rhetoric for the first time.

[Fernandez] That is what I was going to ask you. Many have interpreted the summit as being very rhetorical—the presidents' speeches and their proposals—and that it was just one more document that was signed in the end. It would be good if you would clarify whether this was indeed the case.

[Poletto] This event was undoubtedly a political one, and it is undeniable it had its rhetoric specifically because it was a political event. Nevertheless, the way I understand it, there were also explicit guidelines on topics such as the economy, trade, and politics. The president's ideas on corruption were clearly stated, and a plan of action was presented to fight corruption throughout Latin America.

There were definite plans on maintaining democracy throughout Latin America. There were also clear concepts regarding the environment. The environment was one of the summit's fundamental topics. We made the observation—and this point was included in the document—that the environment must be fully respected, and we must concentrate our efforts on ensuring it does not deteriorate. We must also ensure, however, that the environment is not used as a means to exert trade protectionism, as was the case in Venezuela on numerous occasions; two examples are tuna and reformulated gasoline.

On the economic level, there were important achievements. On the economic level, as can be seen in the press, a hemispheric free trade area was approved. We have the opportunity up to the year 2005 to negotiate this. I believe it is good to clarify that it is not the case of declaring a free trade area in the year 2005, but negotiations are to begin, and the negotiations have a time limit up to the year 2005 to establish all the mechanisms that will permit the establishment of a free trade area.

[Fernandez] This point would finally give way, if the necessary agreements are reached, to trade integration from this year onward.

[Poletto] Exactly. This was the intended message. It could be five years, 10 years, or 15 years after. For this issue, existing regional agreements are used as a basis. This is another point Venezuela stressed in the negotiations before the summit. We have the basis of the Andean Pact, the Group of Three [G-3], ALADI [Latin American Integration Association], and Mercosur [Common Market of the South], which we cannot abandon.

Our goal, on the Venezuelan level—I want to take the opportunity and give some insight into next year's plan of action—is to begin negotiations with Mercosur in order to have a free trade area with Mercosur. We are placing into action the G-3. Fortunately, this week Congress....

[Fernandez, interrupting] An entire process is starting in order to bring the G-3 agreements into greater action at a quicker pace.

[Poletto] What has been proposed is to give it additional political backing, but everything is already in place.

[Fernandez] Yes.

[Poletto] The G-3 has already signed it. The only thing missing was the approval of the Venezuelan Congress. The Colombian Congress approved it two weeks ago, and Mexico did so several months ago. The Venezuelan Congress approved it last week. It was late in doing so, relatively speaking, because it actually had until the end of the year to approve it.

We can start a free trade process with Mexico on 1 January. We already have one with Colombia. In addition, the GATT Uruguay Round was approved, and the World Trade Organization was created. These will be fundamental, economic elements for the next few years.

[Fernandez] I would like to broach an important matter that concerns your line of knowledge, and that matter is a result of the Summit of the Americas: the need to engage in conversations that would permit the commercial integration of the entire hemisphere by the year 2005.

Such an integration implies the implementation of mechanisms of opening and flexibility. What is happening in Venezuela did not arouse concern at the summit. If we form part of the G-3, if we are going to work with Mercosur, and if we are going to form part of a trade integration process as of the year 2005, what concern did the other countries express about the controls existing in Venezuela now?

[Poletto] There is concern. I want to emphatically state that controls established by Venezuela are temporary; this has been said openly. President Caldera and all the ministers have said that the controls would be temporary and that they will not conflict with any international agreement as long as they do not discriminate against any country or represent restrictions on the importation of products. Foreign exchange controls in Venezuela have not been discriminatory or represent a serious obstacle to imports. The country now receives many more dollars than before, despite the bureaucracy. The idea is that everybody may obtain dollars when they are needed.

Beginning in January, we will initiate a process for liberalizing and making the economy flexible, taking into consideration the progress we have made on the exchange control and price control levels. We are going to work on these two matters, to correlate them, because price controls and exchange controls are somehow connected. One can be made more flexible, and the other can be liberated.

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We have a program in the Development Ministry for gradually easing price controls. We are beginning by searching for an agreement with all enterprises whose products are subject to price controls. We are also searching for those companies that have substantially increased the price of their products. I want to tell you that the fact that we do not control prices through regulations does not mean the government and the private sector should not agree on prices. We are achieving this goal. We have been working on this point for two months. We are going to have price stability as a result of this agreement beginning in January. To have this stability, it is necessary, of course, to accompany it with macroeconomic measures, such as the ones that have already been taken—for instance, the issuing of treasury bonds and securities. The Council of Ministers has approved the money for the bonds. These are Treasury Bonds that absorb a good part of the liquidity that produce inflation.

[Fernandez] According to what the finance minister said yesterday, dollars could be offered to the market beginning in February 1995.

[Poletto] At the latest. That is correct, very soon. This is another attractive mechanism. I believe next year will be a year of stabilization, as I have called it, a year during which the economy will grow thanks to these mechanisms: established expenditure reductions and a reduced fiscal deficit.

[Fernandez] We talked with former Chilean President Patricio Aylwin yesterday; it was an interesting conversation. He spoke about situations that are not unfamiliar to Venezuela. He spoke about swift privatizations, as they did, about attracting foreign investments by not placing many obstacles while having a definite and legal framework. He also talked about facing the problem public expenditures represent. If this problem is not faced, there definitely cannot be economic development, Patricio Aylwin said.

[Poletto] This statement is true. I want to mention to you something I mentioned to businessmen in Miami. I told them Venezuela has carried out reforms in the past 10 months aimed at liberalizing the economy. Forgetting for a moment the financial crisis and the controls we had to implement to overcome it, we can say we have adopted most important trade and economic decisions during this period.

We have approved, for example, the privatization of all Venezuelan Guayana Corporation companies or the majority thereof. No previous government did that. We approved the alliance and strategy system allowing foreign investment in the oil industry, which had never been included in foreign trade. We have achieved many things in the area of trade, such as the G-3 and the World Trade Organization agreements, a common export tariff, and the use of the UPC product bar code. These are things previous administrations were unable to achieve despite many years of negotiations. We have freed certain aspects of the economy related to price controls.

We have a new policy in pharmaceutical products, which we will present in January and which previous administrations never implemented. We have been working hard, but perhaps a little too quietly. The economic crisis was so overwhelming and the impact of the contention measures we had to take, particularly regarding the exchange rate, was so intense that they kept us from seeing what has been going on in the area of commercial liberation.

[Fernandez] Why do the local and international private sectors, including the international financial sector, look upon what has happened in Venezuela since February 1994 with half-closed eyes? Why are they biased regarding our having to implement exchange and price controls? Why do they continue to be prejudiced despite all the work of such people as Alberto Poletto?

[Poletto] It is logical and understandable. I would also be prejudiced if I were a foreign banker looking at the proportions of the financial crisis, which is a load the country has dragged for 10 years and which we have had to straighten out. This is not this administration's doing; it goes back farther than this. I believe it is quite logical for them to look upon the country with a certain degree of mistrust, and I do not blame them.

What I want to say here is that we have done things right. Things are pointing in the right direction now, and I believe there should be no reason for mistrust in the country's economy by next year. Venezuela has several attractive things to offer in the area of foreign investment. Despite what you said, foreign investment grew by almost 60 percent this year. We reached almost $600 million in new investments during the year. Incidentally, the leading investors in Venezuela are Switzerland, the Netherlands, the United States, and several Latin American countries.

[Fernandez] Despite the controls and things such as [words indistinct] shrinking revenues and such?

[Poletto] In spite of all those things, intelligent investors thinking about medium-term and long-range goals must realize Venezuela's human and natural resources ensure a promising future to any investor, foreign or domestic, who decides to take the risk of spending his or her money in the country. This point is why I truly believe we will see significant economic recovery next year. We will have a more efficient, streamlined state apparatus in 1996. This apparatus will allow us to effectively promote our economy.

I should spotlight the new Industry and Commerce Ministry we are creating. The state must control and supervise the economy whenever necessary, because we cannot just stand by waiting for the same thing to happen to our financial system again. That is what the last administration did. Its system of supervision did not

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work. The state should have an active role in promoting the economy. It should also have the capability to intervene and keep the economy in order.

[Fernandez] What signs can the government give Venezuelans about 1995 to restore our hope and dissipate our pessimism? What signs can the government give us that the fiscal deficit will in fact be reduced, that the privatization process will be expedited, that there will be effective measures to reduce inflation? What actions are you considering?

[Poletto] The Venezuelan Investment Fund has a clear plan of privatization. Privatization is no longer a simple statement. It is a fact. The Cordoba State Regional Development Bank was just privatized, and we received more than we had expected. We have made significant progress with the privatization of the state-owned race tracks and several hotels that will provide a significant amount to reduce the fiscal deficit.

In addition, the new tax base and enhanced tax collection efforts, thanks to the recently created [words indistinct], mean Venezuela will again receive its main budget income from taxes instead of oil. President Rafael Caldera said yesterday this year was one of the very few in which we received more tax income than oil sales revenues. I believe any developed country should base its budget on its national taxes and international import tariffs. Oil, then, is a very important source of funds for Venezuela's national budget, but it is no longer the main source. [passage omitted]

Government Presents Proposal To Fight Corruption

PA1312211994 Caracas EL NACIONAL in Spanish 13 Dec 94 p A-2

[FBIS Translated Text] The Venezuelan Government yesterday presented to the OAS a 14-point proposal to intensify the struggle against corruption throughout the hemisphere, Foreign Minister Miguel Angel Burelli Rivas reported upon leaving Miraflores Palace.

The foreign minister said President Rafael Caldera's proposal at the recently concluded Summit of the Americas in Miami will be studied by all governments so they can "make pertinent observations" and so it can be presented to the OAS Assembly in June next year.

If the proposal is approved by that organization, it would then be presented to the United Nations "so that it will become valid and binding throughout the world, because corruption is not a privilege of Latin America. It is rooted in all continents and in the oldest democracies," Burelli added.

Among the 14 points of the proposal are measures to avoid granting political asylum to public officials accused of corruption, to facilitate their extradition, and to eliminate banking secrecy.

Corruption: The Predominant Topic

Burelli said the proposal Venezuela presented at the summit was welcome in its entirety and "practically dominated the meeting." The main aspect of the proposal, namely, the strengthening of democracy through the fight against corruption, "was the predominant topic supported by all."

Venezuela's proposal was in view of, among other things, the crisis of corruption that has negatively affected the country recently. Two former presidents have been arraigned for alleged mismanagement, and the banking crisis is largely attributed to bankers' dubious business transactions.

Burelli denied, however, there is any possibility the Venezuelan Government will obtain the extradition of former Banco Latino President Gustavo Gomez Lopez, because "it is a case of private corruption, not by a government official."

He also reported that even if it was not on the agenda, President Caldera's mention of Cuba was unavoidable in expressing his desire that the issue be included in the next hemispheric meeting.

Burelli said there has been a significant improvement in the way Venezuela is perceived, giving as an example the four-point increase in Venezuela's foreign debt bonds, which was prompted by the positive statements by the IMF's Michel Camdessus on the actions taken by Rafael Caldera's government.

He said the summit covered Venezuela's expectations on how the region was treated. In this respect, he said Latin America is becoming aware it is indeed different from the United States, because it has its own identity and a separate personality. "This point is just what Bolivar would have wanted: for the America of Iberian origins to act as a whole to confront the large North America," he added.

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